Ohio Legislative Service Commission

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130th General Assembly
(As Passed by the House)

Reps. Amstutz, Sprague, McGregor, Grossman, Hackett, McClain, Sears, Stebelton, Wachtmann, Batchelder

TABLE OF CONTENTS

This analysis is arranged by state agency, beginning with the Department of Administrative Services and continuing in alphabetical order. Items that do not directly involve an agency are located under the agency that has regulatory authority over the item, or otherwise deals with the subject matter of the item. At the end of the analysis is a Local Government and Miscellaneous category. That last category includes, among other things, items that affect multiple agencies.

Within each agency and category, a summary of the items appears first (in the form of dot points), followed by a discussion of their content and operation. Items generally are presented in the order in which they appear in the Revised Code.

DEPARTMENT OF ADMINISTRATIVE SERVICES

- Increases the deadline for the reinstatement, of a person holding an office or position in the classified service, who has been separated from the service due to injury or disability, to within 60 days after the person submits a written application for reinstatement.

- Permits the Director of Administrative Services to dispose of excess or surplus supplies to the general public by sale, in addition to the current authority to dispose of those supplies to the general public by auction, sealed bid, or negotiation.

- Removes construction managers from the definition of "principal contractor" for purposes of the public construction "prompt pay" law.

Disability separation reinstatement

(R.C. 124.32)

The bill increases the deadline for the reinstatement of a person holding an office or position in the classified service, who has been separated from the service due to injury or physical or psychiatric disability, to within 60 days after the person submits a written application for reinstatement. Under current law, an appointing authority must reinstate the person within 30 days after the person submits the application.

Continuing law requires that a person who has been separated from service due to injury or physical or psychiatric disability must be reinstated in the same office held or in a similar position to that held at the time of separation if the application for reinstatement is filed within two years from the date of separation, and if the person passes an examination made by certain specified medical professionals.

Sale of excess or surplus supplies

(R.C. 125.13)

The bill permits the Director of Administrative Services to dispose of state agencies' excess or surplus supplies to the general public by sale, in addition to the current authority to dispose of those supplies to the general public by auction, sealed bid, or negotiation. Under continuing law, when supplies have been determined to be excess or surplus and the Director takes control of the supplies, the Director must generally dispose of those supplies in a specific order of priority as follows: (1) to state agencies, (2) to state-supported or state-assisted institutions of higher education, (3) to tax-supported agencies, municipal corporations, or other political subdivisions, private fire companies, or private, nonprofit emergency medical service organizations, (4) to nonpublic elementary and secondary schools chartered by the State Board of Education, and (5) to the general public.

The bill also specifies that the Director can adopt rules governing the disposal of surplus and excess supplies in the Director's control by sale, in addition to the current law authority to adopt rules regarding disposing of those supplies by public auction, sealed bid, or negotiation.

Public construction "prompt pay" law

(R.C. 153.56)

With respect to public improvement projects of the state or any political subdivision, district, institution, or other agency of the state (other than the Department of Transportation), existing law provides a process to be followed by any person that has performed work or furnished materials but has not been paid after completion of the contract by the principal contractor or design-build firm. The bill modifies the definition of "principal contractor" for purposes of this law by removing construction managers from the definition.

- Increases the annual inspection and reinspection fee for a roller coaster that is not a kiddie ride from $950 to $1,200.

- Requires the Department of Agriculture to charge an annual inspection and reinspection per-ride fee of $105 for inflatable rides, both kiddie and adult.

- Stipulates in statute what constitutes a kiddie ride by doing all of the following:

  --Defining it to mean an amusement ride designed for use by children under 13 years of age rather than designed primarily for use by children up to 12 years of age as currently defined in rule;

  --Adding that the children are unaccompanied by another person;

  --Adding that it includes a roller coaster that is not more than 40 feet in elevation; and

  --Correspondingly removing the requirement that "kiddie rides" be defined by rule.

- Clarifies that the annual $5 inspection and reinspection fee for go karts is calculated per kart.

Amusement ride inspection fees

(R.C. 1711.50 and 1711.53)

The bill increases the annual inspection and reinspection fee that the Department of Agriculture must charge for a roller coaster that is not a kiddie ride from $950 to $1,200. It requires the Department to charge an annual inspection and reinspection per-ride fee of $105 for inflatable rides, both kiddie and adult. The bill then stipulates in statute what constitutes a kiddie ride by doing all of the following:

(1) Defining it to mean an amusement ride designed for use by children under 13 years of age (rather than designed primarily for use by children up to 12 years of age as currently defined in rule);

(2) Adding that the children are unaccompanied by another person;

(3) Adding that it includes a roller coaster that is not more than 40 feet in elevation;

(4) Correspondingly removing the requirement that "kiddie rides" be defined by rule.

The bill also clarifies that the annual $5 inspection and reinspection fee for go karts is calculated per kart.

- Establishes that a properly licensed charitable organization that desires to conduct instant bingo other than at a bingo session at additional locations not identified on the license may apply in writing to the Attorney General for an amended license.
- Requires the application to indicate the additional locations at which the organization desires to conduct instant bingo other than at a bingo session.

License to conduct instant bingo

(R.C. 2915.08(F))

The bill establishes that a properly licensed charitable organization that desires to conduct instant bingo other than at a bingo session at additional locations not identified on the license may apply in writing to the Attorney General for an amended license. The application must indicate the additional locations at which the organization desires to conduct instant bingo other than at a bingo session.

Under continuing law, a license modification application requires an application fee of $250 and must be submitted at least 30 days before the desired change. Current law expressly authorizes a licensee to apply for an amended license if the licensee cannot conduct bingo or instant bingo at the location, or on the day of the week or at the time, specified on the license due to circumstances that make it impractical to do so.

OFFICE OF BUDGET AND MANAGEMENT

Shared services

- Authorizes the Director of Budget and Management to operate a shared services center to consolidate common business functions and transactional processes.
- Specifies that the shared services center may offer services to state agencies and political subdivisions of the state.
- Authorizes the Director to administer a payment card program under which political subdivisions may use a payment card to purchase equipment, materials, supplies, or services in accordance with guidelines issued by the Director.
- Requires that the services provided by the Director be supported by charges to defray the expense of those services.
- Permits a political subdivision to enter into an agreement with a state agency under which the agency performs a function or renders a service for the political subdivision that the political subdivision is otherwise legally authorized to do.
- Permits a state agency to enter into an agreement with a political subdivision under which the political subdivision performs a function or renders a service for the agency that the agency is otherwise legally authorized to do.

Appropriations related to grant reconciliation and close-out

- Permits the director of an agency to request the OBM Director to authorize additional expenditures in order to return unspent cash to a grantor when, as a result of the reconciliation and close-out process for a grant, an amount of money is identified as unspent and requiring remittance to the grantor.
- Appropriates the additional amounts upon the approval of the Director.

Shared services

(R.C. 9.482, 126.21, and 126.25)

Under the bill, the Director of Budget and Management is authorized to operate a shared services center within the Office of Budget and Management (OBM) for the purpose of consolidating common business functions and transactional processes. The services offered by the shared services center may be provided to any state agency or

political subdivision.[1] The Director may also establish and administer payment card programs, similar to those currently provided for state agencies, that enable political subdivisions to use the card to purchase equipment, materials, supplies, or services in accordance with guidelines issued by the Director. All of these services are to be supported by charges that defray the expense of the services.

Additionally, the bill permits a political subdivision to enter into an agreement with a state agency whereby the state agency agrees to exercise any power, perform any function, or render any service for the political subdivision that the political subdivision is otherwise legally authorized to exercise, perform, or render. It also permits a state agency to enter into an agreement with a political subdivision whereby the political subdivision agrees to exercise any power, perform any function, or render any service for the state agency that the state agency is otherwise legally authorized to exercise, perform, or render. Political subdivisions and state agencies may enter into such agreements only when they are otherwise legally authorized to do so.

Appropriations related to grant reconciliation and close-out

(Section 503.10)

If, pursuant to the reconciliation and close-out process for a grant received by a state agency, an amount is identified as both unspent and requiring remittance to the grantor, the director of the agency may request the OBM Director to authorize additional expenditures to return the unspent cash to the grantor. Upon approval of the Director, the additional amounts are considered appropriated.

[1] With respect to the bill's provisions on shared services, "state agency" means any organized body, office, agency, institution, or other entity established by the laws of the state for the exercise of any function of state government, including a state institution of higher education as defined in R.C. 3345.011. "Political subdivision" has the same meaning as in the Political Subdivision Tort Liability Law (R.C. 2744.01). (R.C. 9.482(A) and 126.21(F).)

- Entitles an Ohio Casino Control Commission member to an annual salary of $30,000.

Ohio Casino Control commissioner salary

(R.C. 3772.02)

The bill entitles each member of the Ohio Casino Control Commission to receive compensation of $30,000 per year, payable in monthly installments. Under current law, each member must receive compensation of $60,000 per year, payable in monthly installments for the first four years of the Commission's existence. The Commission was created in 2010.

CHEMICAL DEPENDENCY PROFESSIONALS BOARD

- Enables a chemical dependency counselor to achieve a pathological and problem gambling endorsement on the counselor's license to enable the counselor to address gambling addiction disorders.

- Defines "pathological and problem gambling" as a persistent and recurring maladaptive gambling behavior that is classified in accepted nosologies.

- Modifies the Chemical Dependency Professionals Board's rule-making authority to include rules regarding the endorsement.

- Requires the Board to establish and adjust fees to be charged for issuing an initial endorsement and for renewing the endorsement.

- Prohibits the Board from discriminating against any endorsement holder or applicant for an endorsement because of the individual's race, color, religion, gender, national origin, disability, or age.

- Requires an individual seeking an endorsement to be one or more of certain listed counselors and other medical professionals and to have training in pathological and problem gambling and work or internship experience, with certain exceptions.

- Permits the Board to refuse to issue an endorsement, refuse to renew an endorsement, suspend, revoke, or otherwise restrict an endorsement, or reprimand an individual holding an endorsement for certain enumerated reasons.

- Requires each individual who holds an endorsement to complete continuing education.

- Based on the individual's license, allows an individual holding a valid license issued under the Chemical Dependency Professionals Law and the endorsement to diagnose and treat pathological and problem gambling conditions, and to perform treatment planning.

- Prohibits an individual holding a chemical dependency counselor II license or a chemical dependency counselor III license from practicing as an individual practitioner.

- Updates the Chemical Dependency Professionals Law to account for the ability of a chemical dependency counselor to receive a pathological and problem gambling endorsement.

Pathological and problem gambling endorsement

(R.C. 4758.01, 4758.02, 4758.06, 4758.16, 4758.20, 4758.21, 4758.23, 4758.24, 4758.26, 4758.28, 4758.29, 4758.30, 4758.31, 4758.35, 4758.36, 4758.48, 4758.50, 4758.51, 4758.60, 4758.62, 4758.63, 4758.64, and 4758.71)

General

The bill generally enables a chemical dependency counselor to achieve a pathological and problem gambling endorsement on the counselor's license to enable the counselor to address gambling addiction disorders, and prohibits a person from representing to the public that the person holds a pathological and problem gambling endorsement unless the person holds a valid endorsement.

To that end, the bill defines "pathological and problem gambling" as a persistent and recurring maladaptive gambling behavior that is classified in accepted nosologies.

Rules

The bill modifies the rule-making authority of the Chemical Dependency Professionals Board to include rules regarding the endorsement that establish, specify, or provide for all of the following:

(1) Codes of ethical practice and professional conduct for individuals who hold an endorsement;

(2) Good moral character requirements for an individual who seeks or holds an endorsement;

(3) Documents that an individual seeking an endorsement must submit to the Board;

(4) Requirements to obtain the endorsement that are in addition to the other requirements established in the Chemical Dependency Professionals Law;

(5) Requirements for approval of continuing education courses for individuals who hold an endorsement;

(6) The intervention for and treatment of an individual holding an endorsement whose abilities to practice are impaired due to abuse of or dependency on alcohol or other drugs or other physical or mental conditions;

(7) Requirements governing reinstatement of a suspended or revoked endorsement;

(8) Standards for pathological and problem gambling-related compensated work or supervised internship direct clinical experience;

(9) Continuing education requirements for individuals who hold an endorsement;

(10) The number of hours of continuing education that an individual must complete to have an expired endorsement restored;

(11) The duties of a licensed independent chemical dependency counselor who holds the endorsement who supervises a chemical dependency counselor III having the endorsement.

The bill prohibits the Board from discriminating against any endorsement holder or applicant for an endorsement because of the individual's race, color, religion, gender, national origin, disability, or age.

Under the bill, in accordance with the Board's rules, the Board must establish and adjust fees to be charged for issuing an initial endorsement and for renewing the endorsement. Under ongoing law amended in part by the bill to allow for the endorsement, the fees for an endorsement and the renewal of an endorsement may differ for the various types of licenses, certificates, or endorsements, but must not exceed $175 each, unless the Board determines that additional amounts are needed and are approved by the Controlling Board.

Application for endorsement

An individual seeking an endorsement must file with the Chemical Dependency Professionals Board a written application on a form the Board prescribes.

Requirements for issuance

The bill requires the Board to issue an endorsement to an individual who meets certain requirements as follows:

(1) Is of good moral character as determined in accordance with rules;

(2) Submits a properly completed application and all other documentation specified in rules;

(3) Pays the fee established for the endorsement;

(4) Meets the requirements to obtain the endorsement as specified in the Chemical Dependency Professionals Law; and

(5) Meets any additional requirements specified in the Board's rules.

In reviewing an application, the Board must determine if an applicant's command of the English language and education or experience meet required standards.

Additionally, the bill requires an individual seeking an endorsement to be one or more of the following:

(1) A licensed independent chemical dependency counselor, chemical dependency counselor III, or chemical dependency counselor II;

(2) An individual authorized under the Physicians Licensing Law to practice medicine and surgery or osteopathic medicine and surgery;

(3) A licensed psychologist;

(4) A licensed registered nurse if the endorsement is consistent with the individual's scope of practice;

(5) A professional clinical counselor, professional counselor, independent social worker, social worker, independent marriage and family therapist, or licensed marriage and family therapist if the endorsement is consistent with the individual's scope of practice.

An individual seeking an endorsement must have at least 30 hours of training in pathological and problem gambling that meets requirements prescribed in the Board's rules. Also, an individual seeking an endorsement must have at least 100 hours of compensated work or supervised internship in pathological and problem gambling direct clinical experience.

Initial endorsement

A licensed independent chemical dependency counselor, chemical dependency counselor III, or chemical dependency counselor II may be issued an initial endorsement without having complied with the 100 hours of compensated work or the supervised internship requirement, but the individual must comply with the requirement before expiration of the initial endorsement. An individual who fails to comply with this provision is not entitled to renewal of the initial endorsement.

Renewal

An endorsement expires two years after its issuance. The Board must renew an endorsement under the standard renewal procedure if the individual seeking the

renewal pays the renewal fee and satisfies the continuing education requirements. The bill permits an expired endorsement to be restored if the individual seeking the restoration, not later than two years after the endorsement expires, applies for restoration of the endorsement. The Board then must issue a restored endorsement to the individual if the individual pays the renewal fee and satisfies the continuing education requirements. The Board must not require an individual to take an examination as a condition of having an expired endorsement restored.

Refusal to issue, suspension, or revocation

The Board, in accordance with the Administrative Procedure Act, may refuse to issue an endorsement; refuse to renew an endorsement; suspend, revoke, or otherwise restrict an endorsement; or reprimand an individual holding an endorsement for one or more of the following reasons:

(1) Violation of any provision of the Chemical Dependency Professionals Law or rules;

(2) Knowingly making a false statement on an application for an endorsement or for renewal, restoration, or reinstatement of an endorsement;

(3) Acceptance of a commission or rebate for referring an individual to a person who holds a license or certificate issued by, or who is registered with, an entity of state government, including persons practicing chemical dependency counseling, alcohol and other drug prevention services, pathological and problem gambling counseling, or fields related to chemical dependency counseling, pathological and problem gambling counseling, or alcohol and other drug prevention services;

(4) Conviction in Ohio or any other state of any crime that is a felony in Ohio;

(5) Conviction in Ohio or any other state of a misdemeanor committed in the course of practice as a pathological and problem gambling endorsee;

(6) Inability to practice as a pathological and problem gambling endorsee due to abuse of or dependency on alcohol or other drugs or another physical or mental condition;

(7) Practicing outside the individual's scope of practice;

(8) Practicing without complying with the supervision requirements;

(9) Violation of the code of ethical practice and professional conduct for pathological and problem gambling counseling services adopted by the Board;

(10) Revocation of an endorsement or voluntary surrender of an endorsement in another state or jurisdiction for an offense that would be a violation of the Chemical Dependency Professionals Law.

An individual whose endorsement has been suspended or revoked may apply to the Board for reinstatement after an amount of time the Board determines in rules. The Board may accept or refuse an application for reinstatement. The Board may require an examination for reinstatement of an endorsement that has been suspended or revoked.

Investigations

The Board must investigate alleged irregularities in the delivery of pathological and problem gambling counseling services. As part of an investigation, the Board may issue subpoenas, examine witnesses, and administer oaths. The Board may receive any information necessary to conduct an investigation that has been obtained in accordance with federal laws and regulations. If the Board is investigating the provision of pathological and problem gambling counseling services to a couple or group, it is not necessary for both members of the couple or all members of the group to consent to the release of information relevant to the investigation.

Continuing education

The bill requires each individual who holds an endorsement to complete during the period that the endorsement is in effect not less than six hours of continuing education as a condition of receiving a renewed endorsement. Additionally, an individual whose endorsement has expired must complete the specified continuing education as a condition of receiving a restored endorsement. The Board may waive the continuing education requirements for individuals who are unable to fulfill them because of military service, illness, residence outside the United States, or any other reason the Board considers acceptable.

Authority to diagnose and treat

Based on the individual's license, the bill allows an individual holding a valid license issued under the Chemical Dependency Professionals Law and the endorsement to diagnose and treat pathological and problem gambling conditions, and to perform treatment planning.

An individual who holds an *independent chemical dependency counselor license* and an endorsement can: (1) diagnose and treat pathological and problem gambling conditions, (2) perform treatment planning, assessment, crisis intervention, individual and group counseling, case management, and educational services insofar as those functions relate to pathological and problem gambling, (3) supervise pathological and

problem gambling treatment counseling, and (4) refer individuals with nonpathological and nonproblem gambling conditions to appropriate sources of help.

An individual who holds a *chemical dependency counselor III license* and an endorsement can: (1) treat pathological and problem gambling conditions, (2) diagnose pathological and problem gambling conditions under supervision, (3) perform treatment planning, assessment, crisis intervention, individual and group counseling, case management, and educational services insofar as those functions relate to pathological and problem gambling, (4) supervise pathological and problem gambling treatment counseling under supervision, and (5) refer individuals having nonpathological and nonproblem gambling conditions to appropriate sources of help.

The supervision required above must be provided by a licensed independent chemical dependency counselor; an individual authorized to practice medicine and surgery or osteopathic medicine and surgery; a licensed psychologist; a registered nurse; or a professional clinical counselor, independent social worker, or independent marriage and family therapist. A registered nurse or a professional clinical counselor, independent social worker, or independent marriage and family therapist is not qualified to provide supervision unless the individual holds a pathological and problem gambling endorsement.

An individual holding a chemical dependency counselor III license must not practice as an individual practitioner.

An individual who holds a *chemical dependency counselor II license* and an endorsement can: (1) treat pathological and problem gambling conditions, (2) perform treatment planning, assessment, crisis intervention, individual and group counseling, case management, and educational services insofar as those functions relate to pathological and problem gambling, and (3) refer individuals having nonpathological and nonproblem gambling conditions to appropriate sources of help.

An individual holding a chemical dependency II license must not practice as an individual practitioner.

Updates to Chemical Dependency Professionals Law

The bill updates the Chemical Dependency Professionals Law to account for the ability of a chemical dependency counselor to receive a pathological and problem gambling endorsement, including updates to the following provisions:

(1) The definition of "scope of practice" to include the services, methods, and techniques in which and the areas for which a person who holds an endorsement is trained and qualified;

(2) The requirements regarding confidential information to prohibit an individual who holds or has held an endorsement from disclosing any information regarding the identity, diagnosis, or treatment of any of the individual's clients or consumers except for expressly authorized purposes;

(3) The requirement that the Board must comply with a notice of child support default with respect to an endorsement;

(4) The requirement for posting the endorsement at an individual's place of employment;

(5) The ability of a prevention specialist II or prevention specialist I to engage in the practice of prevention services as specified in rules;

(6) The hospital admitting prohibition under the Chemical Dependency Professionals Law, which states that the Law does not authorize an individual who holds an endorsement to admit a patient to a hospital or requires a hospital to allow the individual to admit a patient.

DEPARTMENT OF COMMERCE

Mortgage brokers and loan originators

Testing requirements

- Requires a designated business operations manager of a mortgage broker business to pass a written test developed and approved by the Nationwide Mortgage Licensing System and Registry (NMLS) instead of a written test approved by the Superintendent of Financial Institutions.

- Removes the requirement that a mortgage loan originator license applicant or a loan originator license applicant do the following:

  --Answer at least 75% of questions relating to state mortgage lending laws and the Ohio Consumer Sales Practices Act correctly in order to pass the test;

  --Pass a written test acceptable to the Superintendent before the NMLS has a testing process in place.

NMLS reports

- Permits the Superintendent to accept call reports and other reports of condition submitted to the NMLS in lieu of the annual report currently required under the Second Mortgage Loan Law and Mortgage Brokers Law.

- Requires the Superintendent, instead of the Division of Financial Institutions, to annually publish an analysis of information submitted from second mortgage loan registrants, mortgage broker registrants, and loan originator licensees to the NMLS in addition to the information submitted to the Superintendent.

Underground Storage Tank Revolving Loan Fund

- Creates the Underground Storage Tank Revolving Loan Fund in the state treasury to be used by the State Fire Marshal to make underground storage tank revolving loans in accordance with existing law.

- Specifies that the Fund is to consist of:

  (1) Amounts repaid for underground storage tank revolving loans; and

  (2) Under certain circumstances, fines and penalties collected for violations related to petroleum releases and other moneys received by the State Fire Marshal for enforcement actions.

- Permits the transfer of unobligated moneys in the Fund to the Underground Storage Tank Administration Fund if the cash balance in the Underground Storage Tank Administration Fund is insufficient to implement the underground storage tank, corrective action, and installer certification programs.

Roller skating rinks

- Removes the current law provisions requiring certificates of registration in order to operate a roller skating rink.

Mortgage brokers and loan originators

Testing requirements

(R.C. 1321.535 and 1322.051; conforming changes in R.C. 1322.03, 1322.031, 1322.04, and 1322.041)

Continuing law requires a mortgage loan originator applicant, loan originator applicant, and mortgage broker business operations manager to pass a test in order for an applicant or broker to obtain a license or certificate of registration. The bill makes changes to these testing requirements.

Continuing law requires a mortgage loan originator applicant or a loan originator applicant to pass a written test developed and approved by the Nationwide Mortgage Licensing System and Registry (NMLS) as a condition of obtaining licensure. Current law directs the Superintendent of Financial Institutions, if such an NMLS test is not in place, to require an applicant to pass a written test acceptable to the Superintendent. The bill removes this provision. Also, under current law, an applicant is considered to have passed the NMLS test if the applicant correctly answers at least (1) 75% of all the questions and (2) 75% of all questions relating to Ohio mortgage lending laws and the Ohio Consumer Sales Practices Act. The bill removes (2) above, meaning an applicant is considered to pass the test if the applicant correctly answers 75% of all questions.

The bill requires that each person designated to act as operations manager for a mortgage broker business pass the written NMLS test described above as a condition of the mortgage broker obtaining a certificate of registration. An applicant is considered to pass the test if the applicant correctly answers 75% of all questions. Current law requires an operations manager to correctly answer 75% of all questions on a test approved by the Superintendent.

NMLS reports

(R.C. 1321.55 and 1322.06)

Continuing law requires a person who holds a second mortgage loan certificate of registration, a mortgage broker certificate of registration, or a loan originator license to submit call reports and other reports of condition to the NMLS. Under current law, these registrants and licensees must also file with the Division of Financial Institutions an annual report concerning their business and operation for the preceding calendar year. The bill allows the Superintendent to accept the NMLS-submitted reports in lieu of submitting the annual report to the Superintendent.

Continuing law requires a yearly analysis of registrant and licensee information to be published by the Division. The bill requires the Superintendent to annually publish an analysis including the information gathered from both the NMLS reports and the annual report to the Superintendent. Current law requires the Division to annually publish an analysis of the information gathered from the annual report to the Superintendent. Additionally, the bill specifies that regardless of whether an individual report is filed with the Superintendent or the NMLS, the report is not a public record and not open to public inspection.

Underground Storage Tank Revolving Loan Fund

(R.C. 3737.02; Section 241.10 of H.B. 59 of the 130th General Assembly)

The bill creates the Underground Storage Tank Revolving Loan ("Revolving Loan") Fund in the state treasury. Money in the Revolving Loan Fund is to be used by the State Fire Marshal to make Underground Storage Tank Revolving Loans in accordance with existing law. The Revolving Loan Fund is to consist of the following:

(1) Amounts repaid for the loans; and

(2) Fines and penalties collected for violations related to petroleum releases and other moneys, including corrective action enforcement case settlements or bankruptcy case awards or settlements, received by the State Fire Marshal for enforcement actions, ***if*** such moneys are transferred from the existing Underground Storage Tank Administration ("Administration") Fund to the Revolving Loan Fund as provided in the bill.

Transfers from the Administration Fund to the Revolving Loan Fund

The bill authorizes the Director of Commerce, if the Director determines that the cash balance in the Administration Fund is in excess of the amount needed for implementation and enforcement of the existing underground storage tank, corrective

action, and installer certification programs, to certify the excess amount to the Director of Budget and Management. Upon certification, the Director of Budget and Management may transfer from the Administration Fund to the Revolving Loan Fund any amount up to, but not exceeding, the amount certified by the Director of Commerce, ***provided*** the amount transferred consists only of moneys described in (2), above.

Transfers from the Revolving Loan Fund to the Administration Fund

If the Director of Commerce determines that the cash balance in the Administration Fund is insufficient to implement and enforce the underground storage tank, corrective action, and installer certification programs, the Director may certify the amount needed to the Director of Budget and Management. Upon certification, the Director of Budget and Management may transfer from the Revolving Loan Fund to the Administration Fund any amount up to, but not exceeding, the amount certified by the Director of Commerce.

Roller skating rinks

(R.C. 121.084, 4171.03 (repealed), and 4171.04 (repealed))

The bill removes the current law prohibition on operating a roller skating rink without obtaining a certificate of registration from the Superintendent of Industrial Compliance in the Department of Commerce. Similarly, the bill removes the authority of the Superintendent to issue these certificates of registration. "Roller skating rink" means a building, facility, or premises that provides an area specifically designed to be used by the public for recreational or competitive roller skating.

- Creates the Economic Gardening Technical Assistance Pilot Program in the Development Services Agency to provide eligible businesses with services related to marketing, market research, and the development of business connections.

- Provides for the repeal of the program after two years.

- Appropriates $500,000 per year to the pilot program in fiscal year 2015.

- Does both of the following with respect to the grants awarded by the Director of Development Services to local organizing committees, counties, and municipalities to support the selection of a site for certain national and international sports competitions:

    --Includes boxing and the Special Olympics as eligible sports competitions for purposes of the program;

    --Eliminates the requirement that the Director of Budget and Management establish a schedule for the disbursement of the grant payments and that the disbursements be made from the GRF.

Economic Gardening Technical Assistance Pilot Program

(Sections 610.20, 757.30, and 757.60)

The bill creates the Economic Gardening Technical Assistance Pilot Program. Under the two-year program, the Development Services Agency may provide technical assistance to eligible businesses, including assistance in market research, marketing, and the development of connections with trade associations, academic institutions, business advocacy groups, peer-based learning sessions, mentoring programs, and other businesses. The Director may contract or coordinate with one or more persons to aid in the administration and operation of the program.

A business is eligible to receive assistance under the pilot program if it is for-profit, has between six and 99 employees, generates between $750,000 and $25 million in annual revenue, has maintained its principal place of business in Ohio for the previous two years, and has increased its gross revenue and number of full-time Ohio employees during three of the past five years.

When selecting eligible businesses to assist under the program, the Director of Development Services must select businesses from more than one industry and, to the extent practicable, businesses that are geographically distributed throughout the state. Once selected, a business must agree to attend a specified number of meetings with the Director, to provide the Director with financial and job creation data, and to comply with any additional reporting the Director requires.

Within one year after the creation of the program, the Director must publish a report that evaluates the effectiveness of the program, recommends any changes, and details the number of businesses assisted under the program, the types and locations of such businesses, the number of full-time jobs created as a result of the assistance, and the total compensation paid to full-time employees whose jobs were created as a result of the assistance. The Director must provide the report to the Governor, the Speaker and Minority Leader of the House, and the Majority Leader (President) and Minority Leader of the Senate, and publish the report on the Development Services Agency website.

The bill requires the Director to adopt any rules in accordance with Ohio's Administrative Procedure Act that are necessary for the administration of the Economic Gardening Technical Assistance Pilot Program.

Termination of the Program

The bill provides that the Economic Gardening Technical Assistance Pilot Program is to terminate two years after the bill's effective date.

Appropriations

In fiscal year 2015, the bill appropriates $500,000 for the Economic Gardening Technical Assistance Pilot Program from the General Revenue Fund.

Sports incentive grants

(R.C. 122.12 and 122.121)

The bill modifies the current program under which grants are awarded by the Director of Development Services to local organizing committees, counties, and municipalities to support the selection of a site for a national or international competition of football, auto racing, rugby, cricket, horse racing, mixed martial arts, or any sport that is governed by an international federation and included in the Olympic games, Pan American games, or Commonwealth games. Existing law requires (1) that the Director of Budget and Management establish a schedule to disburse the grant payments to a local organizing committee, county, or municipality and (2) that the disbursements be made from the GRF. The bill eliminates both of these requirements.

Additionally, the bill adds boxing and the Special Olympics to the list of sports competitions for which grants may be awarded.

DEPARTMENT OF DEVELOPMENTAL DISABILITIES

Meaning of "developmental disability" and eligibility for services

- Provides that an individual under age three may have a developmental disability if the individual has a diagnosed physical or mental condition that has a high probability (rather than an established risk) of resulting in a developmental delay.

- Removes established risk as a factor in determining whether an individual at least age three but under age six has a developmental disability.

- Eliminates a requirement that the Director of the Ohio Department of Developmental Disabilities (ODODD) adopt a rule defining "substantial functional limitation" and instead requires the Director to adopt a rule specifying how to determine whether a person age six or older has a substantial functional limitation in a major life activity as appropriate for the person's age.

- Eliminates a requirement that the ODODD Director adopt rules defining "established risk," "biological risk," and "environmental risk."

- Eliminates (1) ODODD's express authority to adopt rules establishing eligibility for programs and services for individuals under age six who have a biological risk or environmental risk of a developmental delay and (2) county boards of developmental disabilities' express authority to establish such individual's eligibility for programs and services.

- Requires that the ODODD Director's rules regarding programs and services offered by county boards include standards and procedures for making eligibility determinations.

Certification and registration of county board employees

- Provides that the ODODD Director, rather than the superintendent of a county board of developmental disabilities, is responsible for the certification or registration of early intervention supervisors and early intervention specialists who seek employment with, or are employed by, a county board or an entity that contracts with a county board to operate programs and services for individuals with mental retardation or developmental disabilities.

Supported living providers

- Revises who is a related party of a supported living provider for the purpose of existing law that makes a provider and related party temporarily ineligible to apply

for a supported living certificate if the Director of Developmental Disabilities denies an initial or renewed certificate or revokes a certificate.

- Makes consistent the procedures that ODODD must follow after completing surveys of supported living providers and residential facilities, including requiring survey reports and plans of correction for both to be made available on ODODD's website.

ICF/IID

- Revises (1) the reduction made to the Medicaid rate paid to an intermediate care facility for individuals with intellectual disabilities (ICF/IID) that fails to file a timely cost report or files an incomplete or inadequate cost report and (2) the period for which the reduction is made.

- Provides that the efficiency incentive paid to an ICF/IID under the Medicaid program for indirect care costs is to be the lesser of (1) the amount current law provides or (2) the difference between the ICF/IID's per diem indirect care costs as adjusted for inflation and the maximum rate established for the ICF/IID's peer group.

- Eliminates prohibitions against (1) more than 600 beds converting from providing ICF/IID services to providing home and community-based services available under Medicaid waiver programs administered by ODODD and (2) the Medicaid Director seeking federal approval for more than 600 slots for such home and community-based services for the purpose of the bed conversions.

- Revises a requirement that ODODD strive to reduce the number of ICF/IID beds in the state by (1) removing the limit of 600 beds applicable to the reduction achieved by downsizing ICFs/IID with 16 or more beds, (2) removing the limit of 600 beds applicable to the reduction achieved by converting ICF/IID beds to providing home and community-based services under ODODD-administered Medicaid waiver programs, and (3) requiring ODODD to strive to achieve a reduction of at least 1,200 ICF/IID beds through a combination of the downsizing and bed conversion methods.

County board authority

- Requires a county board of developmental disabilities, when the superintendent position becomes vacant, to first consider obtaining the services of a superintendent of another county board of developmental disabilities.

- Requires a superintendent of a county board of developmental disabilities, when a management employee position becomes vacant, to first consider obtaining the services of personnel of another county board of developmental disabilities.

- Authorizes two or more county boards of developmental disabilities to agree to share the services of one or more employees.

- Repeals the law prohibiting a county board of developmental disabilities from contracting with a nongovernmental agency whose board includes a county commissioner of any of the counties served by the county board.

- Eliminates requirements that each county board of developmental disabilities (1) establish an advisory council to provide ongoing communication among all persons concerned with non-Medicaid-funded supported living services and (2) develop and implement a provider selection system for non-Medicaid-funded supported living services.

- Provides that "adult services" available through county boards of developmental disabilities no longer expressly includes adult day care, sheltered employment, or community employment services.

- Provides that "adult day habilitation services," which are part of adult services, no longer expressly includes training and education in self-determination designed to help an individual do one or more specified activities.

Other provisions

- Requires ODODD to establish a voluntary training and certification program for individuals who provide evidence-based interventions to individuals with an autism spectrum disorder.

- Authorizes disclosure of records and certain other confidential documents relating to a resident, former resident, or person whose institutionalization was sought if disclosure is needed for treatment or the payment of services.

Meaning of "developmental disability" and eligibility for services

(R.C. 5123.01, 5123.011, 5123.012, 5126.01, 5126.041, and 5126.08)

Individuals with developmental disabilities may receive a number of governmental services. Current law defines "developmental disability" as a severe, chronic disability that is characterized by all of the following:

(1) It is attributable to a mental or physical impairment or a combination of mental and physical impairments, other than a mental or physical impairment solely caused by mental illness.

(2) It is manifested before age 22.

(3) It is likely to continue indefinitely.

(4) It results in one of the following:

(a) In the case of a person under three years of age, at least one developmental delay or an established risk;

(b) In the case of a person at least three years of age but under six years of age, at least two developmental delays or an established risk;

(c) In the case of a person six years of age or older, a substantial functional limitation in at least three of the following areas of major life activity, as appropriate for the person's age: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and, if the person is at least 16 years of age, capacity for economic self-sufficiency.

(5) It causes the person to need a combination and sequence of special, interdisciplinary, or other type of care, treatment, or provision of services for an extended period of time that is individually planned and coordinated for the person.

Whereas current law provides that, in the case of a person under age three, the disability results in at least one developmental delay or an established risk, the bill provides that the disability results in at least one developmental delay or a diagnosed physical or mental condition that has a high probability of resulting in a developmental delay. In the case of a person at least age three but under age six, the bill provides that the disability results in at least two developmental delays rather than, as under current law, at least two developmental delays or an established risk. These changes to the definition of "developmental disability" remove the operative uses of the term "established risk" from the laws governing the Ohio Department of Developmental Disabilities (ODODD) and county boards of developmental disabilities (county DD boards). Accordingly, the bill eliminates a requirement for the ODODD Director to adopt rules defining "established risk."

Regarding persons age six or older, continuing law provides that a severe, chronic disability results in a substantial functional limitation in at least three of certain areas of major life activity, as appropriate for the person's age. Whereas current law requires the ODODD Director to adopt rules defining "substantial functional

limitation," the bill instead requires the Director to adopt rules specifying how to determine whether a person age six or older has a substantial functional limitation in a major life activity as appropriate for the person's age.

The bill eliminates a requirement that ODODD adopt rules establishing the eligibility for programs and services of individuals under age six who have a biological risk or environmental risk of a developmental delay. The bill also eliminates current law that permits a county DD board to establish the eligibility of such individuals for programs and services. This removes the operative uses of the terms "biological risk" and "environmental risk" from the laws governing ODODD and county DD boards. The bill therefore eliminates a requirement for the ODODD Director to adopt rules defining "biological risk" and "environmental risk."

Current law requires that rules the ODODD Director adopts regarding programs and services offered by county DD boards include standards for determining eligibility for service and support administration. The bill broadens this by requiring that the rules establish standards and procedures for making eligibility determinations for all programs and services county DD boards offer.

Certification and registration of county board employees

(R.C. 5126.25)

Continuing law requires the ODODD Director to adopt rules establishing uniform standards and procedures for the certification and registration of persons who are seeking employment with or are employed by a county DD board or an entity that contracts with a county board to operate programs and services for individuals with mental retardation or developmental disabilities. No person may be employed in a position for which certification or registration is required without the certification or registration. Nor may a person be employed or continue to be so employed if the required certification or registration is denied, revoked, or not renewed. The certification and registration requirements do not apply to (1) persons who hold a valid license or certificate issued under state law regarding superintendents, teachers, and other school employees and perform no duties other than teaching or supervising a teaching program or (2) persons who hold a valid license or certificate issued under state law governing occupational licensure and perform only those duties governed by the license or certificate.

Under current law, the superintendent of each county board is responsible for taking all actions regarding the certifications and registrations, other than the

certifications and registrations of superintendents and investigative agents.[2] The ODODD Director is responsible for the certification and registration actions for superintendents and investigative agents. The bill makes the ODODD Director also responsible for the certification or registration of early intervention supervisors and early intervention specialists.

Supported living providers

Supported living provider certificates

(R.C. 5123.16)

Definition of "related party"

Continuing law prohibits a person or government entity from reapplying for a certain period of time for a certificate to be a provider of supported living services if the ODODD Director issues an adjudication order refusing to issue a supported living certificate to the provider, refusing to renew the provider's supported living certificate, or revoking the provider's supported living certificate. In the case of an order refusing to issue or renew a certificate, the provider may not reapply earlier than one year after the date the order is issued. In the case of an order revoking a certificate, the provider may not reapply earlier than five years after the date the order is issued.[3]

The prohibition also applies to a related party of a provider. Who is a related party depends on whether a provider is an individual, legal person other than an individual (i.e., a corporation, partnership, association, trust, or estate),[4] or government entity. The bill revises the definition of "related party."

In the case of a provider who is an individual, the bill provides that an employee or employer of the provider or provider's spouse is no longer a related party unless the employee or employer is a related party for another reason.

In the case of a provider that is a legal person other than an individual:

(1) An employee of the provider is no longer a related party unless the employee is a related party for another reason.

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[2] A county board superintendent may contract with another entity under which the entity becomes responsible for all or part of the superintendent's certification and registration duties.

[3] R.C. 5123.167, not in the bill.

[4] R.C. 1.59(C), not in the bill.

(2) Current law provides that a person or government entity that has control over the provider's day-to-day operations is a related party. The bill provides that this includes a general manager, business manager, financial manager, administrator, and director and that such a person or government entity is a related party regardless of whether the person or government entity exercises the control pursuant to a contract or other arrangement and regardless of whether the person or government entity is required to file an Internal Revenue Code form W-2 for the provider.

(3) Current law provides that a person owning a financial interest of 5% or more in the provider is a related party. The bill provides that this includes a direct, indirect, security, and mortgage financial interest.

(4) The bill provides that an individual is a related party if the individual is a spouse, parent, stepparent, child, sibling, half sibling, stepsibling, grandparent, or grandchild of another individual who is a related party because the other individual (a) directly or indirectly controls the provider's day-to-day operations, (b) is an officer of the provider, (c) is a member of the provider's board of directors or trustees, or (d) owns a financial interest of 5% or more in the provider.

In the case of a provider that is a government entity, current law provides that a government entity that has control over the provider's day-to-day operation is a related party. Under the bill, any person or government entity that directly or indirectly controls the provider's day-to-day operations (including as a general manager, financial manager, administrator, or director) is a related party and that this is the case regardless of whether the person or government entity exercises the control pursuant to a contract or other arrangement.

Definition of "business"

Continuing law prohibits the ODODD Director from issuing or renewing a supported living certificate if the chief executive officer of the business applying for issuance or renewal fails to comply with criminal records check requirements or is found by a criminal records check to be ineligible for the certificate. Under current law, a business is (1) an association, corporation, nonprofit organization, partnership, trust, or other group or persons or (2) an individual who employs, directly or through contract, one or more other individuals to provide supported living. An individual who employs one or more other individuals to provide supported living is no longer a business under the bill.

Surveys of supported living providers and residential facilities

(R.C. 5123.162 and 5123.19)

Background and overview

Under existing law, the ODODD Director is permitted to conduct surveys of persons and government entities that seek to be supported living providers. For the purpose of determining whether providers continue to meet certification standards, ODODD may also conduct surveys of existing providers. The surveys must be conducted in accordance with rules adopted by the ODODD Director.[5] Those rules refer to surveys as "compliance reviews," and specify that there are three types: routine, special, and abbreviated. In general, routine compliance reviews are conducted annually. Special compliance reviews are conducted as necessary: (1) when there is a circumstance pertaining to the health, safety, or welfare of an individual, (2) based on a complaint or allegation, or (3) based on a major unusual incident that may indicate the provider's failure to comply with applicable requirements. Abbreviated compliance reviews are conducted when ODODD has accepted a provider's accreditation by a national accrediting entity as demonstration that the provider is meeting applicable requirements. The rules specify post-compliance review procedures, and include a requirement that a county board of developmental disabilities or ODODD provide a written compliance review summary to the provider not later than seven days after the compliance review's conclusion.[6]

Regarding residential facilities, the ODODD Director is required by statute to conduct a survey of a facility prior to issuing a license and at least once during the licensure period. Additional inspections are permitted on an "as needed" basis. A survey includes an on-site examination and evaluation of the residential facility, its personnel, and the services provided there. Rules adopted by the ODODD Director specify additional procedures for residential facility surveys, as well as post-survey procedures.[7] Among post-survey procedures specified in rules is a requirement that a survey report be provided to the residential facility not later than 20 working days following ODODD's exit interview. The report must be made available to any person who requests it in accordance with applicable statutes and regulations regarding individual confidentiality.[8]

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[5] R.C. 5123.1610, not in the bill.

[6] Ohio Administrative Code (O.A.C.) 5123:2-2-04(D) and (F).

[7] O.A.C. 5123:2-3-02(I), authorized by R.C. 5123.19(H)(4).

[8] O.A.C. 5123:2-3-02(J)(2).

In the case of supported living providers, the bill specifies in the Revised Code the procedures that the ODODD Director must follow after a survey is conducted. In the case of residential facilities, the bill modifies existing post-survey procedures specified in the Revised Code. In general, the bill makes post-survey procedures consistent for both.

Survey reports

(R.C. 5123.162(D) and (E) and 5123.19(I)(5))

The bill requires the ODODD Director, following each survey of a supported living provider or residential facility, to issue a report listing the date of the survey and any citations issued as a result of the survey. Except when the ODODD Director initiates a proceeding to revoke a provider's certification, the Director must do all of the following:

--Specify a date by which the provider may appeal any of the citations;

--Specify a timetable within which the provider must submit a plan of correction describing how the problems specified in citations will be corrected; and

--When appropriate, specify a timetable within which the provider must correct the problems specified in the citations.

If the ODODD Director initiates a proceeding to revoke a provider's certification, the bill requires the Director to include the report described above with the notice of the proposed revocation that the Director sends the provider. In this circumstance, the provider may not appeal the citations or submit a plan of correction.

After a plan of correction is submitted, the bill requires the ODODD Director to approve or disapprove the plan. If the plan of correction is approved, a copy of the approved plan must be provided, not later than five business days after it is approved, to any person or government entity that requests it and must be made available on ODODD's website. If the plan of correction is not approved and the ODODD Director initiates a proceeding to revoke the provider's certification, a copy of the survey report must be provided to any person or government entity that requests it and must be made available on ODODD's website.

Regarding surveys of supported living providers, the bill clarifies that survey reports and records associated with them are public records under Ohio's public records law[9] and must be made available on the request of any person or government

[9] R.C. 149.43, not in the bill.

entity. Current law specifies that records of surveys are public records, but it is not clear whether such records include survey reports.[10]

Conforming changes

(R.C. 5123.19, 5123.191, 5123.21, 5123.61, 5123.75, and 5123.76)

The bill eliminates references to a "designee" of the ODODD Director in sections of the Revised Code that require or authorize the Director to take certain actions. This change does not appear to have a substantive effect since the ODODD Director's authority to delegate duties to ODODD staff is implied in current law. The bill does not eliminate references to "designee" in two provisions governing probable cause hearings for involuntary institutionalization of the mentally retarded, but instead cross-references the existing provision that authorizes the ODODD Director's designee to act on the Director's behalf.

ICF/IID

ICF/IID Medicaid rate reduction due to cost report

(R.C. 5124.106)

With certain exceptions, continuing law requires each intermediate care facility for individuals with intellectual disabilities (ICF/IID) to file an annual cost report with ODODD. The cost report is used in setting Medicaid payment rates. The cost report is due not later than 90 days after the end of the calendar year, or portion of the calendar year, that the cost report covers. However, ODODD may grant a 14-day extension if the ICF/IID provides ODODD a written request for an extension and ODODD determines there is good cause for the extension.[11]

ODODD must notify an ICF/IID that its Medicaid provider agreement will be terminated if the ICF/IID fails to file a cost report by the due date, including an extended due date, or files an incomplete or inadequate report. The termination is to occur in 30 days unless the ICF/IID submits a complete and adequate cost report within those 30 days. Under current law, the termination notice must be provided immediately. The bill eliminates the requirement that the notice be provided immediately. The bill also revises the reduction that is made in the ICF/IID's Medicaid rate paid and the period for which the reduction is made.

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[10] R.C. 5123.162(E).

[11] R.C. 5124.10, not in the bill. Exceptions to the requirement to file an annual cost report include when a new ICF/IID begins operation after the first day of October of a year.

Under current law, an ICF/IID is to be paid, during the 30-day termination period or any additional time allowed for an appeal of the proposed termination, the ICF/IID's then current per Medicaid day payment rate, minus the dollar amount by which the per Medicaid day payment rates of ICFs/IID were reduced during fiscal year 2013 because of late, incomplete, or inadequate cost reports, adjusted for inflation. The bill requires instead that ODODD reduce an ICF/IID's rate by the following:

(1) In the case of a reduction made during the period beginning on the effective date of this provision of the bill and ending on the first day of the first fiscal year beginning after that effective date, $2;

(2) In the case of a reduction made during the first fiscal year beginning after the effective date of this provision of the bill and each fiscal year thereafter, the amount of the reduction in effect on the last day of the fiscal year immediately preceding the fiscal year in which the reduction is made adjusted by the rate of inflation during that immediately preceding fiscal year.

Under the bill, an ICF/IID's Medicaid rate reduction is to begin the day immediately following the date the ICF/IID's cost report is due or to which the due date is extended, as applicable, if the reduction is made because the ICF/IID fails to file a timely cost report. If the reduction is made because the ICF/IID files an incomplete or inadequate cost report, the reduction is to begin the day that ODODD gives the ICF/IID written notice of the proposed provider agreement termination. A rate reduction is to end on the last day of the 30-day period specified in the termination notice or any additional period allowed for an appeal of the proposed termination.

ICF/IID efficiency incentive for indirect care costs

(R.C. 5124.21)

For each fiscal year, ODODD is required to determine the per Medicaid day payment rate for indirect care costs for each ICF/IID. The rate for indirect care costs is part of an ICF/IID's total Medicaid payment rate for that fiscal year.

An ICF/IID's Medicaid payment rate for indirect care costs for a fiscal year is the lesser of (1) the maximum rate ODODD determines for the ICF/IID's peer group or (2) the sum of (a) the ICF/IID's per diem indirect care costs from the immediately preceding calendar year adjusted for inflation and (b) an efficiency incentive. The bill revises the method by which the efficiency incentive is calculated.

Under current law, the efficiency incentive for an ICF/IID with more than eight beds equals the following:

(1) For fiscal year 2014, 7.1% of the maximum Medicaid payment rate for the ICF/IID's peer group;

(2) For fiscal year 2015, the following:

- The same amount as the ICF/IID's efficiency incentive for fiscal year 2014 if the ICF/IID obtains ODODD's approval to downsize and the approval is conditioned on the downsizing being completed not later than July 1, 2018.

- One half of the ICF/IID's 2014 efficiency incentive if the ICF/IID does not obtain such approval.

(3) For fiscal year 2016 and each fiscal year thereafter ending in an even-numbered calendar year, the following:

- 7.1% of the maximum Medicaid payment rate for the ICF/IID's peer group if the ICF/IID obtains the downsizing approval discussed above;

- 3.55% of the maximum Medicaid payment rate for the ICF/IID's peer group if the ICF/IID does not obtain such approval.

(4) For fiscal year 2017 and each fiscal year thereafter ending in an odd-numbered calendar year, the same amount as the ICF/IID's efficiency incentive for the immediately preceding fiscal year.

Current law provides that the efficiency incentive for an ICF/IID with eight or fewer beds equals the following:

(1) For each fiscal year ending in an even-numbered calendar year, 7% of the maximum Medicaid payment rate for the ICF/IID's peer group;

(2) For each fiscal year ending in an odd-numbered calendar year, the same amount as the ICF/IID's efficiency incentive for the immediately preceding fiscal year.

Under the bill, an ICF/IID's efficiency incentive is to be the lesser of (1) the amount current law provides or (2) the difference between the ICF/IID's per diem indirect care costs as adjusted for inflation and the maximum rate for indirect care costs established for the ICF/IID's peer group.

Conversion and reduction of ICF/IID beds

(R.C. 5124.63 (primary and repealed), 5124.01, 5124.60, 5124.61, 5124.62, 5124.64 (repealed), and 5124.67)

Continuing law includes provisions aimed at increasing the number of slots for home and community-based services that are available under Medicaid waiver programs administered by ODODD. First, an ICF/IID is permitted to convert some or all of its beds from providing ICF/IID services to providing such home and community-based services to providing if a number of requirements are met. For example, the ICF/IID must provide its residents certain notices, provide the Director of Health and ODODD Director at least 90 days' notice of the intent to convert the beds, and receive the ODODD Director's approval. Second, an individual who acquires, through a request for proposals issued by the ODODD Director, an ICF/IID for which a residential facility license was previously surrendered or revoked may convert all or some of its beds if similar requirements are met. Third, the ODODD Director is permitted to request that the Medicaid Director seek federal approval to increase the number of slots available for such home and community-based services by a number not exceeding the number of beds that were part of the licensed capacity of a residential facility that had its license revoked or surrendered if the residential facility was an ICF/IID at the time of the license revocation or surrender.

Current law limits the number of beds that may be so converted and the number of such home and community-based services slots for which the Medicaid Director may seek federal approval under these provisions. Not more than a total of 600 beds may be so converted and the Medicaid Director may not seek federal approval for more than 600 such slots. The bill eliminates these restrictions.

ODODD is required to strive to achieve, not later than July 1, 2018, a reduction in the number of ICF/IID beds available in the state. Current law requires ODODD to strive to achieve (1) a reduction of at least 500 and not more than 600 beds in ICFs/IID that, before the reductions, have 16 or more beds and (2) a reduction of at least 500 and not more than 600 beds in ICFs/IID with any number of beds that convert some or all of their beds from providing ICF/IID services to providing home and community-based services under the provisions discussed above. The bill eliminates the 600-bed cap on these reductions and conversions. It also requires ODODD to strive to achieve a reduction of at least 1,200 ICF/IID beds through a combination of these reductions and conversions.

County board authority

Superintendent vacancy

(R.C. 5126.0219)

The bill specifies that, if a vacancy occurs in the position of superintendent of a county board of developmental disabilities, the county board must first consider entering into an agreement with another county board under which the superintendent of the other county board acts also as the superintendent of the county board. If the county board determines it is impractical or not significantly efficient to share a superintendent, the county board may employ a superintendent to fill the vacancy.

Under continuing law, a county board of developmental disabilities must either employ a superintendent or obtain the services of a superintendent of another county board. If the superintendent position becomes vacant, it must be filled using either of these two methods. Current law does not require that either method be given first consideration. The bill adds a requirement that the county board first consider sharing a superintendent with another county board. The county board may employ an individual as superintendent, instead, only after the county board determines it is impractical or not significantly efficient to share a superintendent.

Management employee vacancy

(R.C. 5126.21)

The bill specifies that, if a vacancy occurs in a management employee position of a county board of developmental disabilities, the superintendent of the county board must first consider entering into an agreement with another county board under which the two county boards share personnel. Only once the superintendent determines it is impractical or not significantly efficient to share personnel, the superintendent may employ a management employee to fill the vacancy.

Continuing law allows county boards of developmental disabilities to either employ management employees or share personnel with another county board.[12] Current law does not specify how a county board must fill its management employee vacancy. The bill adds a requirement that, to fill a vacancy, the superintendent first consider sharing personnel with another county board. The superintendent may employ an individual as a management employee, instead, only after the superintendent determines it is impractical or not significantly efficient to share personnel.

[12] R.C. 5126.21 and 5126.02(B), not in the bill.

Agreement to share employees

(R.C. 5126.02)

The bill authorizes two or more county boards of developmental disabilities to agree to share the services of one or more employees. Current law does not prohibit or restrict county boards from sharing administrative functions or personnel, but the bill's provision expressly permits sharing employee services.

Contracts with nongovernmental agencies

(R.C. 5126.037 (repealed))

The bill repeals current law that prohibits a county board of developmental disabilities from contracting with a nongovernmental agency whose board includes a county commissioner of any of the counties served by the county board.

Supported living duties

(R.C. 5162.42 (primary), 5126.046, 5126.43, and 5126.45)

The bill eliminates a requirement that county boards of developmental disabilities establish advisory councils to provide ongoing communication among all persons concerned with non-Medicaid-funded supported living. Current law requires that such councils consist of members or employees of the boards, supported living providers, supported living recipients, and advocates for supported living recipients.

The bill also eliminates a requirement that county boards develop and implement provider selection systems for non-Medicaid-funded supported living. Current law requires a county board's system to do all of the following:

(1) Enable an individual to choose to continue receiving non-Medicaid-funded supported living from the same providers, to select additional providers, or to choose alternative providers;

(2) Include a pool of providers that consists of either all certified providers on record with the board or all certified providers approved by the board through a request for proposals process;

(3) Permit an individual to choose a certified provider not included in the pool.

The bill maintains continuing law that (1) gives an individual with mental retardation or other developmental disability who is eligible for non-Medicaid-funded supported living the right to obtain the services from any supported living provider

that is willing and qualified to provide the services, (2) requires ODODD to make available to the public on its website an up-to-date list of all providers, and (3) requires county boards to assist such individuals and their families access the list from ODODD's website.[13]

Adult services for persons with developmental disabilities

(R.C. 5126.01 and 5126.051)

Continuing law requires county boards of developmental disabilities, to the extent that resources are available, to provide or arrange for the provision of adult services to individuals with mental retardation or other developmental disabilities who are (1) age 18 or older and not enrolled in a program or service available under state law governing the education of children with disabilities or (2) age 16 or 17 and eligible for adult services under rules adopted by the ODODD Director. The bill revises the law governing adult services.

Adult services are to support learning and assistance in the areas of self-care, daily living skills, communication, community living, social skills, or vocational skills. Current law provides that adult services includes adult day habilitation services, prevocational and supported employment services (i.e., employment services), sheltered employment, educational experiences and training obtained through entities and activities that are not expressly intended for individuals with mental retardation and developmental disabilities, and community employment services. The bill provides that adult services no longer expressly include adult day care, sheltered employment, and community employment services. Additionally, the bill provides that adult day habilitation services no longer expressly include training and education in self-determination designed to help an individual (1) develop self-advocacy skills, (2) exercise the individual's civil rights, (3) acquire skills that enable the individual to exercise control and responsibility over services received, and (4) acquire skills that enable the individual to become more independent, integrated, or productive in the community.

[13] The bill corrects a reference to the Ohio Department of Job and Family Services by replacing that reference with one to the Department of Medicaid, which was recently created to administer the Medicaid program.

Other provisions

Autism intervention training and certification program

(R.C. 5123.0420)

The bill requires ODODD to establish a voluntary training and certification program for individuals who provide evidence-based interventions to individuals with an autism spectrum disorder. ODODD must administer the program itself or contract with a person or other entity to administer the program. The program cannot conflict with any other state-administered certification or licensure process. The bill permits the ODODD Director to adopt rules to implement the program.

The bill defines "evidence-based intervention" as a prevention or treatment service that has been demonstrated through scientific evaluation to produce a positive outcome.

Permitted disclosure of records pertaining to residents of institutions for the mentally retarded

(R.C. 5123.89)

The bill authorizes the disclosure of records and certain other confidential documents relating to a resident, former resident, or person who institutionalization was sought under law administered by ODODD if disclosure is needed for the person's treatment or the payment of services provided to the person. The bill defines the following terms:

--"Treatment" is the provision of services to a person, including the coordination or management of services provided to the person.

--"Payment" encompasses activities undertaken by a service provider or government entity to obtain or provide reimbursement for services provided to a person.

The records and confidential documents subject to the bill's authorization include all certificates, applications, records, and reports made for purposes of the law administered by ODODD, other than court journal entries or court docket entries, that directly or indirectly identify a resident or former resident of an institution for the mentally retarded or person whose institutionalization has been sought under that law.

Under the "permitted disclosure provision" of the federal Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, and existing Ohio law that incorporates that provision, protected health information in such records and

documents may already be disclosed for treatment and payment purposes.[14] The permitted disclosure provision of the HIPAA Privacy Rule permits a health care provider (a "covered entity") to disclose a patient's protected health information, without the patient's authorization, for treatment, payment, and health care operations activities as described in the Rule.[15]

In general, "protected health information" is individually identifiable health information that is transmitted or maintained in electronic media or any other form or medium. "Individually identifiable health information" is health information, including demographic information collected from an individual, that meets all of the following criteria: (1) it is created or received by a health care provider, a health plan, an employer, or a health care clearinghouse, (2) it relates to (a) the past, present, or future physical or mental health or condition of an individual, (b) the provision of health care to an individual, or (c) the past, present, or future payment for the provision of health care to an individual, and (3) it identifies the individual, or there is a reasonable basis to believe it could be used to identify the individual.[16]

[14] 45 Code of Federal Regulations (C.F.R.) 164.506; R.C. 3798.04.

[15] 45 C.F.R. 164.506.

[16] 45 C.F.R. 164.501.

DEPARTMENT OF EDUCATION

Funding for city, local, and exempted village school districts

- Adds to a school district's "formula ADM" (the student count used to calculate a district's state payments) 20% of the number of students who are entitled to attend school in the district and are enrolled in another district under a career-technical education compact.

- For calculating targeted assistance funding for school districts, specifies that the "net formula ADM" does not include 75% of the number of the district's students who attend a science, technology, engineering, and mathematics (STEM) school.

Funding for community schools

- Requires the Department of Education to pay each community school, including each Internet- or computer-based community school, 20% of the formula amount for each student who is not taking career-technical education classes provided by the school but is enrolled in career-technical programs at a joint vocational school district or another district in the school's career-technical planning district.

- For each student for whom a payment is made under that provision, requires the Department to make a corresponding deduction from the state education aid of the student's resident district.

Adult Career Opportunity Pilot Program

- Establishes the Adult Career Opportunity Pilot Program to permit a community college, technical college, state community college, or technical center that provides post-secondary workforce education to offer a program that allows individuals who are at least 22 years old and have not received a high school diploma or an equivalence certificate to obtain a high school diploma.

- Requires the Superintendent of Public Instruction, in consultation with the Chancellor, to adopt rules for the implementation of the program, including requirements for applying for program approval.

- Permits the Superintendent to award planning grants in fiscal year 2015 of up to $500,000 to no more than five eligible institutions geographically dispersed across the state for the purpose of building capacity to implement the pilot program.

- Requires the Superintendent, in consultation with others, to develop recommendations for the method of funding and other associated requirements for the pilot program, and to report the recommendations by December 31, 2014.

Enrollment of individuals ages 22 to 29

- Beginning with fiscal year 2015, permits an individual age 22 to 29 who has not received a high school diploma or equivalence certificate, and who has completed at least ten of the units required for high school graduation, to enroll for up to two cumulative school years in any of the following for the purpose of earning a high school diploma: (1) a city, local, or exempted village school district or a community school that operates a dropout prevention and recovery program, (2) a joint vocational school district that operates an adult education program, or (3) a community college, university branch, technical college, or state community college.

- For fiscal year 2015, limits the combined enrollment of individuals ages 22 to 29 under the bill's provisions to 1,000 individuals on a full-time equivalency basis, as determined by the Department.

- Prohibits a district or community school from assigning an individual enrolled under the bill's provisions to classes or settings with students who are younger than 18.

- Requires the Department to annually pay an educational entity, for each individual enrolled under the bill's provisions, $5,000 times the individual's enrollment on a full-time equivalency basis, as reported by the entity and certified by the Department, times the percentage of the school year in which the individual is enrolled.

- Specifies that an individual enrolled under the bill's provisions may elect to satisfy the requirements to earn a high school diploma by successfully completing a competency-based instructional program that complies with standards adopted by the Chancellor of the Board of Regents.

- Requires a joint vocational school district, community college, university branch, technical college, or state community college, if an individual completes the requirements for a diploma, to certify the completion to the city, local, or exempted village school district in which the individual resides, which then must issue a high school diploma to the individual.

- Requires the Chancellor, in consultation with the State Board of Education, to adopt both emergency rules and regular administrative rules regarding the administration of programs that enroll individuals ages 22 to 29 under the bill's provisions.

- Requires the Department, by December 31, 2015, to prepare and submit a report to the General Assembly regarding services provided to individuals ages 22 to 29 under the bill's provisions.

Eligibility for the GED tests

- Specifies that a person who is at least 18 years old (rather than 19, under current law) may take the tests of general educational development (GED) without additional administrative requirements, if the person is officially withdrawn from school and has not received a high school diploma.

- Requires a person who is at least 16 but less than 18 and who applies to take the GED to submit to the Department written approval only from the person's parent or guardian or a court official (eliminating the current need to obtain approval from the school district superintendent or community school or STEM school principal where the person was last enrolled).

Funding for city, local, and exempted village school districts

Formula ADM

(R.C. 3317.02)

The bill adds to a city, local, or exempted village school district's "formula ADM," which is the student count used to calculate state payments to the district under the funding formula, 20% of the number of students who are entitled to attend school in the district and are enrolled in another school district under a career-technical education compact. Currently, a district's formula ADM is equal to the enrollment reported by a district, as verified by the Superintendent of Public Instruction, and adjusted to count only 20% of the number of the district's career-technical education students who are enrolled in a joint vocational school district (JVSD).[17] (JVSDs are separate taxing districts that provide career-technical education classes and courses for the students of member city, exempted village, and local school districts.) The fractional student counts provided for in current law and under the bill account for career-technical education students who are educated elsewhere but for whom their resident city, exempted village, and local school districts continue to be responsible for their curriculum completion and high school diplomas.

[17] This number excludes students entitled to attend school in the district who are enrolled in another school district through an open enrollment policy and then enroll in a joint vocational school district or under a career-technical education compact. R.C. 3317.03(A)(3), not in the bill.

Targeted assistance funding

(R.C. 3317.0217)

The bill specifies that, for purposes of the calculation of targeted assistance funding for city, local, and exempted village school districts (which is based on a district's property value and income), the "net formula ADM" used to calculate that payment does not include 75% of the number of the district's students that are attending a science, technology, engineering, and mathematics (STEM) school. Under continuing law, for each student enrolled in a STEM school, 25% of the per-pupil amount of targeted assistance computed for the student's resident school district are deducted from the state education aid of that district's account and paid to the STEM school.[18] Thus, the bill's change to the calculation of a district's targeted assistance payment appears to align with the current STEM school payment provision.

Funding for community schools

(R.C. 3314.08)

The bill requires the Department to pay to each community school, including each Internet- and computer-based community school, 20% of the formula amount ($5,800 for fiscal year 2015) for each of the school's students who are not taking career-technical education classes provided by the school but who are enrolled in career-technical education programs or classes at a joint vocational school district or another district in the career-technical planning district to which the school is assigned. For each student for whom a payment is made under the bill's provisions, the Department must make a corresponding deduction from the state education aid of the student's resident district. This payment is similar to a payment that was made to community schools under previous school funding formulas, in effect prior to the enactment of the current funding system in H.B. 59.

Adult Career Opportunity Pilot Program

(R.C. 3313.902; Sections 263.10 and 263.270 of H.B. 59 of the 130th General Assembly, amended in Sections 610.20 and 610.21 of the bill)

The bill establishes the Adult Career Opportunity Pilot Program to permit certain institutions, with approval of the State Board of Education and the Chancellor of the Board of Regents, to develop and offer programs of study that allow eligible students (those who are at least 22 years old and have not received a high school diploma or a certificate of high school equivalence) to obtain a high school diploma. For purposes of

[18] R.C. 3326.33, not in the bill.

this provision, an eligible institution is a community college, technical college, state community college, or Ohio technical center recognized by the Chancellor that provides post-secondary workforce education.

Program approval

A program may be approved if it:

(1) Allows an eligible student to complete the requirements for obtaining a high school diploma while completing requirements for an industry credential or certificate that is approved by the Chancellor;

(2) Includes career advising and outreach; and

(3) Includes opportunities for students to receive a competency-based education.

The bill requires the state Superintendent, in consultation with the Chancellor, to adopt rules for the implementation of the Adult Career Opportunity Pilot Program, including the requirements for applying for program approval.

Planning grants

The bill permits the state Superintendent to award planning grants in fiscal year 2015 of up to $500,000 to no more than five eligible institutions geographically dispersed across the state and appropriates funds for this purpose. These grants must be used to build capacity to implement the program beginning in the 2015-2016 academic year. The Superintendent and the Chancellor, or their designees, must develop an application process for awarding these grants.

The bill specifies that any amount of the appropriation that remains after providing grants to eligible institutions may be used to provide technical assistance to the eligible institutions that receive grants under the bill's provisions.

Recommendations

The bill requires the state Superintendent, in consultation with the Chancellor, the Governor's Office of Workforce Transformation, the Ohio Association of Community Colleges, Ohio Technical Centers, Adult Basic and Literacy programs, and other interested parties as deemed necessary, or their designees, to develop recommendations for the method of funding and other associated requirements for the pilot program. The Superintendent must report the recommendations to the Governor, the President of the Senate, and the Speaker of the House by December 31, 2014.

Enrollment of individuals ages 22 to 29

(R.C. 3314.38, 3317.01, 3317.036, 3317.23, 3317.24, 3333.04, and 3345.86; Sections 263.10 and 263.40 of H.B. 59 of the 130th General Assembly amended in Sections 610.20 and 610.21; Sections 733.10 and 733.20)

Current law entitles any individual who is a resident of the state and between the ages of 5 and 22 a tuition-free primary and secondary education until the individual attains a high school diploma. Also, an individual who is between three and five years old and has a disability is entitled to tuition-free special education and related services under both state and federal law.[19] Generally, an individual who is 22 or older is not entitled to tuition-free education, except for certain veterans who enlist in the armed forces prior to attaining a high school diploma.[20]

Beginning in fiscal year 2015, the bill permits an individual who is 22 to 29 years old, who has not received a high school diploma or a certificate of high school equivalence, and who has completed at least ten units of instructional credit required for high school graduation to enroll for up to two cumulative school years of additional tuition-free education in any of the following, for the purpose of earning a high school diploma:

(1) A city, local, or exempted village school district that operates a dropout prevention and recovery program;

(2) A community school that operates a dropout prevention and recovery program;

(3) A joint vocational school district that operates an adult education program;

(4) A community college, university branch, technical college, or state community college.

For fiscal year 2015, the bill limits the combined enrollment of such individuals to 1,000 individuals on a full-time equivalency basis as determined by the Department.

The bill specifically prohibits a district or community school from assigning an individual enrolled under the bill's provisions to classes or settings with students who are younger than 18 years of age.

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[19] See R.C. 3313.64(B), not in the bill.

[20] See R.C. 3314.08(L)(4), 3317.03(E)(4), and 3326.37(D), latter two sections not in the bill.

Funding

Reports of student enrollment

The bill requires the superintendent of each city, local, and exempted village school district to report to the State Board of Education as of the last day of October, March, and June of each year the enrollment, on a full-time equivalency basis, of individuals under the bill's provisions. It also requires the superintendent of each joint vocational school district to report and certify to the Superintendent of Public Instruction as of the last day of October, March, and June of each year the enrollment of individuals on a full-time equivalency basis under the bill's provisions.

Additionally, each community school, community college, university branch, technical college, and state community college that enrolls individuals under the bill's provisions must report that enrollment on a full-time equivalency basis to the Department.

Certification of enrollment and attendance

The Department must annually certify the enrollment and attendance, on a full-time equivalency basis, of each individual reported by a district, community school, community college, university branch, technical college, or state community college under the bill's provisions.

State payments

The bill requires the Department to annually pay to each qualified educational entity, for each individual enrolled under the bill's provisions, $5,000 times the individual's enrollment on a full-time equivalency basis, as reported by the entity and certified by the Department, times the portion of the school year in which the individual is enrolled in the entity expressed as a percentage.

Completion of graduation requirements

Competency-based instructional program

An individual who enrolls under the bill's provisions may elect to satisfy the requirements to earn a high school diploma by successfully completing a competency-based instructional program that complies with standards adopted by the Chancellor of the Board of Regents (see "**Standards for enrollment of individuals ages 22 to 29**," below).

Certification of the completion of graduation requirements

If an individual enrolls in a joint vocational school district (JVSD), community college, university branch, technical college, or state community college under the bill's provisions and completes the requirements to earn a high school diploma, the bill requires the JVSD or institution to certify the completion of those requirements to the city, local, or exempted village school district in which the individual resides. That district, then, must issue a high school diploma to the individual.

Standards for the enrollment of individuals ages 22 to 29

The bill requires the Chancellor, in consultation with the State Board, to do both of the following:

(1) Adopt emergency rules regarding the administration of programs that enroll individuals ages 22 to 29 under the bill's provisions;

(2) Not later than 90 days after the effective date of the emergency rules, adopt regular administrative rules regarding the administration of programs that enroll individuals ages 22 to 29 under the bill's provisions, including data collection, the reporting and certification of enrollment in the programs, the measurement of the academic performance of individuals enrolled in the programs, and the standards for competency-based instructional programs.

The bill specifies that each educational entity that enrolls individuals under the bill's provisions is subject to these standards.

Report regarding services provided to individuals ages 22 to 29

The bill requires the Department, not later than December 31, 2015, to prepare and submit a report to the General Assembly regarding services provided to individuals ages 22 to 29 under the bill's provisions.

Eligibility for the GED

(R.C. 3313.617)

The bill specifies that a person who is at least 18 years old, rather than at least 19 years old as under current law, may take the tests of general educational development (GED), without additional administrative requirements, if the person is officially withdrawn from school and has not received a high school diploma.

The bill also specifies that a person who is at least 16 but less than 18 years old and who applies to take the GED must submit to the Department written approval from

the person's parent or guardian or a court official. This is a change from current law, which requires written approval from the superintendent (or superintendent's designee) of the school district or the principal (or the principal's designee) of the community or STEM school where the person was last enrolled. Current law *permits* the Department to require approval of the person's parent or guardian or a court official, in addition to that of the district superintendent or school principal (or designee), if the person is younger than 18.

Background

The test of General Educational Development is a privately published indicator of a combination of experience, education, and self-study that is considered the equivalent of completing the requirements for a high school diploma for persons who have withdrawn from school. It was created in 1942 for World War II military personnel who left school early to enter military service. In Ohio, the State Board of Education issues a "high school equivalence diploma" to those who attain a passing score on all areas of the GED test.[21] Individuals may enroll in adult education classes and take practice tests to prepare for taking the test.

[21] R.C. 3313.611, not in the bill, and Ohio Administrative Code (O.A.C.) 3301-41-01.

- Requires the Director of Environmental Protection, for the purpose of reducing emissions from diesel engines, to administer, in part, a Clean Diesel School Bus Program, rather than a Diesel Emissions Reduction Revolving Loan Program as in current law.

- Accordingly, eliminates the Diesel Emissions Reduction Revolving Loan Fund, which consists of state and federal money and contributions and is used for making loans for projects relating to certified engine configurations and verified technologies in a manner consistent with federal requirements.

Clean Diesel School Bus Program

(R.C. 122.861)

The bill revises the Director of Environmental Protection's authority regarding reducing emissions from diesel engines by requiring the Director, in part, to administer a Clean Diesel School Bus Program, rather than a Diesel Emissions Reduction Revolving Loan Program as in current law. The bill then eliminates the Diesel Emissions Reduction Revolving Loan Fund. The Fund consists of money appropriated to it by the General Assembly, any federal grants made under the Energy Policy Act of 2005, and any other grants, gifts, or other contributions. It is used for making loans for projects relating to certified engine configurations and verified technologies in a manner consistent with federal requirements.

- Revises the method of determining a school district's priority for assistance, and local share, under the Classroom Facilities Assistance Program, if the district is participating in the Expedited Local Partnership Program and its tangible personal property valuation (excluding public utility personal property) made up 18% or more of its total taxable value for tax year 2005.

Local shares for certain Expedited Local Partner districts

(R.C. 3318.36)

The bill makes an exception to the general requirement that school districts participating in the Expedited Local Partnership Program "lock in" their local share percentage for when they eventually become eligible for the Classroom Facilities Assistance Program (CFAP). Under the bill, when an Expedited Local Partner district becomes eligible for CFAP, if the district's tangible personal property valuation, not including public utility personal property, made up 18% or more of its total taxable value for tax year 2005 (the year the tax on that property began to phase out), the district's priority for state funding for a districtwide project under the CFAP will be based on the *smaller* of its wealth percentile when it entered into the Expedited Local Partnership agreement or its current percentile. In addition, the district's share of its CFAP project cost will be the *lesser* of (1) the percentage locked in under the Expedited Local Partner agreement or (2) the percentage computed using its current wealth percentile rank.

Background

The School Facilities Commission is an independent agency within the Ohio Facilities Construction Commission. It administers several programs that provide state assistance to school districts and other public schools in constructing classroom facilities. The main program, the Classroom Facilities Assistance Program (CFAP), is designed to provide each city, exempted village, and local school district with partial funding to address all of the district's classroom facilities needs. It is a graduated, cost-sharing program where a district's portion of the total cost of the project and priority for funding are based on the district's relative wealth. Districts are ranked by wealth into percentiles. The poorest districts are served first and receive a greater amount of state assistance than wealthier districts will receive when it is their turn to be served based on their respective wealth percentile. Other smaller programs address the particular needs of certain types of districts and schools but most assistance continues to be based

on relative wealth. Of these, the Expedited Local Partnership Program permits most school districts that have not been served under CFAP to apply the advance expenditure of *district* money on approved parts of their districtwide needs toward their shares of their CFAP projects when they become eligible for that program.

The annual wealth percentile rankings of school districts for school facilities funding is based on the "total" taxable value of each district, averaged over three years. That total taxable value is the sum of both the district's real property tax valuation and its tangible personal property tax valuation. Beginning in 2005, however, the tax on tangible personal property that is not public utility personal property was phased down over several years, and is now fully phased out.[22] Thus, the value of that tangible personal property is no longer included in a district's current total taxable value. As each district's three-year average adjusted valuation is computed each year, the impact of the tangible personal property valuation will decrease. This decline in total valuation could eventually lower a district's wealth percentile and increase the amount of state funding available for its school facilities projects.

But districts participating in the Expedited Local Partnership Program "lock in" the percentage of their districtwide CFAP projects when they enter into their expedited agreements. Under the Expedited Local Partner Program, a participating district may go ahead with some of its districtwide project using local funds, and apply that local expenditure toward its share when it becomes eligible for CFAP. Since a district's percentage of the total project cost is set in the expedited agreement, changes in the district's valuation (up or down) do not affect its share of the eventual CFAP project. Accordingly, districts that had a relatively higher amount of tangible personal property in their total taxable values when the tax was phased out may experience a negative effect from having locked in the percentages of their local shares of their CFAP projects. That is, their shares may be lower now, if computed using their lower valuations, than they were when the districts entered into their expedited agreements.

[22] R.C. 5711.22, not in the bill.

DEPARTMENT OF HEALTH

Certificate of need

- Requires the Director to accept certificate of need (CON) applications for the establishment, development, or construction of a new nursing home in specified circumstances.

- Requires the Director to accept CON applications for the relocation of a total of not more than 20 nursing home beds to a new nursing home authorized by the CON application discussed above in specified circumstances.

Physician and Dentist Loan Repayment programs

- Permits participation in the Physician Loan Repayment Program and the Dentist Loan Repayment Program on a part-time basis.

- Requires program participants to provide services in settings approved by the Department of Health.

- Permits teaching activities to count towards service hours to the extent specified in the contract between the physician or dentist and the Director.

- Requires that the contract specify the required length of service, weekly hours, maximum amount of repayment, and the extent to which teaching activities may be counted towards practice hours.

- Repeals restrictions that limit loan repayment to $25,000 per year for the first and second years of service and $35,000 for the third and fourth years of service.

- Repeals a requirement that the Department mail to each participating physician or dentist a statement showing the amount repaid by the Department in the preceding year.

Lyme disease

- Requires a dentist, advanced practice registered nurse, physician assistant, or physician, when ordering a test for the presence of Lyme disease in a patient, to provide the patient or patient's representative certain information regarding Lyme disease testing.

- Permits a licensed veterinarian to report to the Department any test result indicating the presence of Lyme disease in an animal.

Other provisions

- Requires the Ohio Public Health Advisory Board to review and make recommendations regarding proposed changes to policies that apply to WIC program vendors.

- Eliminates the Alcohol Testing Program Fund and transfers the cash balance to the GRF.

- Requires tattoo parlor operators to ensure invasive tattooing and body piercing equipment is disinfected and sterilized instead of requiring the operator to require the individual performing the procedure to disinfect and sterilize the equipment.

Certificate of need

(R.C. 3702.595 (primary) and 3702.59)

Continuing law requires persons seeking to engage in an activity regarding long-term care facilities to obtain a certificate of need (CON) from the Director of Health if the activity is a reviewable activity.[23] A long-term care facility is a nursing home, the portion of any facility certified as a skilled nursing facility or nursing facility under federal Medicare or Medicaid law, and the portion of any hospital that contains skilled nursing beds or long-term care beds.[24] Reviewable activities requiring a CON include the following:

(1) Establishment, development, or construction of a new long-term care facility;

(2) Replacement of an existing long-term care facility;

(3) Renovation of, or addition to, a long-term care facility that involves a capital expenditure of $2 million or more, excluding expenditures for equipment, staffing, or operational costs;

(4) An increase in long-term care bed capacity;

(5) A relocation of long-term care beds from one physical facility or site to another, excluding relocation of beds within a long-term care facility or among buildings of a long-term care facility at the same site;

[23] R.C. 3702.53, not in the bill.

[24] R.C. 3702.51, not in the bill.

(6) Expenditure of more than 110% of the maximum expenditure specified in a CON.

The bill requires the Director to accept for review two related types of CON applications. The first type is for a CON to establish, develop, or construct a new nursing home. The second type is for a CON to relocate a total of not more than 20 nursing home beds from one or more physical facilities or sites to the new nursing home authorized by the first type of application.

The Director must accept the first type of CON application if (1) the new nursing home to be authorized by the CON is to be located on the same site as a residential care facility (i.e. an assisted living facility) that, on the effective date of this provision of the bill, is licensed by the Department of Health and located on a site that does not have another nursing home, (2) the new nursing home is to have a licensed bed capacity not exceeding 20 nursing home beds, and (3) all of the beds that are to be part of the new nursing home's licensed bed capacity are to be relocated to the nursing home in accordance with an approved CON application of the second type. The Director must accept the second type of CON application if (1) the beds being relocated to the new nursing home authorized by the first type of CON application are part of a different nursing home's licensed bed capacity on the effective date of this provision of the bill, (2) the licensed bed capacity of the nursing home from which the beds are to be relocated is reduced by each bed that is relocated, (3) the nursing facility from which the beds are to be relocated is located in a county that is contiguous to the county in which the new nursing home is to be located, and (4) after the beds are relocated, there will still be one or more licensed nursing homes operating in the county from which the beds are relocated.

The bill provides that once the Director approves the first type of CON application for a new nursing home, the Director is prohibited from accepting or approving another of the same type of application until the expiration of the five-year period during which the Director is required by continuing law to monitor the activities of the person granted the CON. Once the Director approves a total of 20 nursing home beds to be relocated under the second type of CON application, the Director is prohibited from accepting or approving another such application until the Director has approved another first type of CON application.

Physician and Dentist Loan Repayment programs

The bill makes various changes to the Physician Loan Repayment Program and the Dentist Loan Repayment Program, which offer funds to repay some or all of the educational loans of physicians and dentists who agree to provide primary care or dental services in a health resource shortage area.

Participation requirements

(R.C. 3702.71, 3702.74(B), and 3702.91(B))

The bill permits physicians and dentists to participate in the loan repayment programs on a part-time basis. The bill defines part-time practice as working between 20 and 39 hours per week for at least 45 weeks per year and full-time practice as working at least 40 hours per week for at least 45 weeks per year. Under current law, participating physicians must provide primary care services and participating dentists must provide dental services for a minimum of 40 hours per week.

The bill specifies that the outpatient or ambulatory setting in which a participating physician provides primary care services and the service site in which a participating dentist provides dental services must be approved by the Department of Health. Under current law, the Department need not approve the specific sites in which the services are to be provided.

The bill also permits a physician or dentist to count teaching activities towards the physician's or dentist's full-time or part-time practice. The extent to which teaching activities can count towards a physician's or dentist's full-time or part-time practice must be specified in the participation contract (see below).

Participation contract

(R.C. 3702.74(C) and 3702.91(C))

The bill specifies terms that must be included in the participation contract between the physician or dentist and the Director. Those terms include:

(1) The physician's or dentist's required length of service, which must be at least two years;

(2) The number of weekly hours the physician or dentist will be engaged in part-time or full-time practice;

(3) The maximum amount that the Department will repay on behalf of the physician or dentist;

(4) The extent to which the physician's or dentist's teaching activities will be counted towards the full-time or part-time practice hours.

Repayment amounts

(R.C. 3702.75 and 3702.93)

The bill repeals restrictions on the amounts of repayment that will be made on behalf of a participating physician or dentist. Under current law, the repayment made on behalf of a physician or dentist may not exceed $25,000 for the first two years of service and may not exceed $35,000 for the third and fourth years of service. Instead, the bill leaves the amount of repayment to the discretion of the Department and requires that the amount be specified in the participation contract (see above).

The bill also repeals a provision that requires the Department to mail to each participating physician and dentist an annual statement showing the amount of repayment made on behalf of the physician or dentist in the preceding year.

Lyme disease

Information for patients

(R.C. 4715.15, 4723.433, 4730.093, and 4731.77)

The bill requires that a dentist, advanced practice registered nurse, physician assistant, or physician, when ordering a test for the presence of Lyme disease in a patient, provide to the patient or patient's representative a written notice with the following information:

"Your health care provider has ordered a test for the presence of Lyme disease. Current testing for Lyme disease can be problematic and may lead to false results. If you are tested for Lyme disease and the results are positive, this does not necessarily mean that you have contracted Lyme disease. In the alternative, if the results are negative, this does not necessarily mean that you have not contracted Lyme disease. If you continue to experience symptoms or have other health concerns, you should contact your health care provider and inquire about the appropriateness of additional testing or treatment."

The bill further requires that the dentist, advanced practice registered nurse, physician assistant, or physician obtain a signature from the patient or patient's representative indicating receipt of the notice. The document containing the signature must be kept in the patient's record.

Reporting animal test results

(R.C. 4741.49)

The bill permits a person holding a license, limited license, or temporary permit to practice veterinary medicine who orders a test for the presence of Lyme disease in an animal to report to the Department any test result indicating the presence of the disease. The bill also permits the Director to adopt rules regarding the submission of test results. If the Director adopts rules, the bill requires that the Director do so in accordance with the Administrative Procedure Act (R.C. Chapter 119.).

Other provisions

Ohio Public Health Advisory Board review of WIC vendor policies

(R.C. 3701.34 (primary) and 3701.132)

The bill requires the Ohio Public Health Advisory Board to review and make recommendations to the Director regarding any proposed changes to departmental policies that apply to entities serving or seeking to serve as vendors under the Special Supplemental Nutrition Program for Women, Infants, and Children, also known as the WIC program.

The Department is responsible for administering the WIC program. Existing law authorizes the Director to contract with grocer and pharmacy vendors to provide supplemental foods and infant formula to WIC program participants. A grocer or pharmacy seeking to serve as a vendor must submit an application to the Department. The Director may then enter into a contract with an applicant if certain criteria outlined in Department rules are satisfied.[25]

Current law requires the Advisory Board to review and make recommendations to the Director on all of the following:

(1) Developing and adopting proposed rules concerning programs administered by the Department;

(2) Prescribing proposed fees for services provided by the Office of Vital Statistics and the Bureau of Environmental Health;

(3) Issues to improve public health and increase awareness of public health issues at the state level, local level, or both;

[25] Ohio Administrative Code Chapter 3701-42.

(4) Any other public health issues the Director requests the Board to consider.

The bill requires that the Advisory Board also review and make recommendations on any proposed policy changes that (1) pertain to entities serving or seeking to serve as vendors under the WIC program and (2) are not already subject to Board review as proposed rules. The bill specifies that, when making recommendations on any proposed WIC program policy changes, the proposed policy change is to be treated as a proposed rule, and the Advisory Board may follow all or part of the procedures that currently govern recommendations concerning proposed Department rules.

Elimination of Alcohol Testing Program Fund

(R.C. 3701.83; Section 512.20)

The bill eliminates the Alcohol Testing Program Fund and requires the Director of Budget and Management, on July 1, 2014, or as soon as possible thereafter, to transfer the cash balance in the Fund to the GRF. This Fund is used by the Director of Health to administer and enforce the Alcohol Testing and Permit Program.

Tattoo parlor operators ensure equipment is disinfected and sterilized

(R.C. 3730.09)

The bill requires tattoo parlor operators to ensure all invasive equipment used to apply tattoos or body piercings is disinfected and sterilized according to Ohio law and regulations. Currently, the operator must require the individual who performs the tattoo or piercing to disinfect and sterilize the equipment.

OHIO HOUSING FINANCE AGENCY

- Requires the Ohio Housing Finance Agency (OHFA) to submit its annual financial report and report of programs to the chairs of the committees dealing with housing issues in the House and the Senate.

- Requires the Executive Director of OHFA to testify before those committees in regard to those reports.

- Requires OHFA to demonstrate measurable and objective transparency, efficiently award funding to maximize affordable housing production, encourage national equity investment in low-income housing tax credit projects, and utilize resources to provide more competitive single-family loan rates.

- Expands the duties of the Executive Director of OHFA relating to the management of the agency.

Annual reports

(R.C. 175.04)

Continuing law requires the Ohio Housing Finance Agency (OHFA) to submit an annual financial report, describing its activities during the reporting year, and an annual report of its programs, describing how the programs have met Ohio's housing needs, to the Governor, Speaker of the House, and the President of the Senate within three months after the end of the reporting year. The bill requires OHFA to also submit these annual reports to the chairs of the House and Senate committees dealing with housing issues within a time frame agreed to by OHFA and the chairs.

Under the bill, within 45 days of issuing the annual financial report, OHFA must cause its Executive Director to appear in person before the committees to testify in regard to both the annual financial report and report of programs. The testimony must include (1) an overview of the annual plan to address Ohio's housing needs, which plan is required by continuing law, (2) an evaluation of whether the objectives in the annual plan were met through a comparison of the annual plan with the annual financial report and report of programs, (3) a complete listing of all business and contractual relationships between OHFA and other entities and organizations that participated in OHFA's programs during the fiscal year reported by the annual financial report and report of programs, and (4) a complete listing of all equity investors, both direct and

indirect, and equity syndicators that participated in agency programs during the fiscal year reported by the agency's annual financial report and report of programs.

Duties of Executive Director

(R.C. 175.05 and 175.053)

The bill requires the Executive Director of OHFA, in addition to filing financial disclosure statements as required by continuing law, to do all of the following:

- Develop a consolidated policies and procedures manual for the operation and administration of OHFA's programs and activities that includes standard operating procedures describing what OHFA and its offices do and the roles and responsibilities of its employees;
- Review all public documents produced by OHFA to ensure that consistent names are used throughout to identify OHFA's programs;
- Develop policies and procedures to ensure that time periods for project deadlines and progress are identified and consistently used;
- Establish policies and procedures to ensure that all personnel salary costs claimed for OHFA programs that use federal funds are in accordance with federal requirements;[26]
- Review the documentation supporting the personnel salary and wage costs claimed for each OHFA program that uses federal funds and require each individual working on the programs to prepare the required certifications for the applicable pay periods in accordance with federal law;
- Include in OHFA's financial management systems the budgets for individual programs;
- Require recording of expenses by program in a timely manner;
- Develop and implement policies and procedures to ensure that program managers have access to the budget and expense information by program during the year and that managers make decisions concerning their individual programs;

[26] The bill references 2 Code of Federal Regulations (C.F.R.) part 225, which no longer exists.

- Develop policies to ensure all of the following:
    - The annual plan to address Ohio's housing needs, as required by continuing law, is prepared in accordance with the law;
    - The annual financial report and annual report of programs are appropriately linked to OHFA's approved plans for the reporting year;
    - The annual public hearing, required by continuing law, is conducted.

Program duties

(R.C. 175.06)

The bill requires OHFA, in addition to its duties related to carrying out its programs under continuing law, to (1) demonstrate measurable and objective transparency, (2) efficiently award funding to maximize affordable housing production using cost-effective strategies, (3) encourage national equity investment in low-income housing tax credit projects, and (4) utilize resources to provide more competitive single-family loan rates at below-market levels to serve low-income citizens.

Restoring Stability: A Save the Dream Ohio Initiative

(Section 701.10)

Currently, OHFA administers the Restoring Stability: A Save the Dream Ohio Initiative, a foreclosure prevention outreach initiative involving partners from state government, nonprofit housing counseling agencies, and legal aid organizations. The bill requires OHFA to review its process for providing assistance through the initiative to individuals and to identify steps that can be taken to reduce the amount of time for providing assistance. This review must include consultation with states that have reported significantly less processing time for similar programs, limiting the time homeowners have to provide documentation to OHFA. Additionally, the bill requires OHFA to modify the initiative's current tracking system to include identification of the stages in the process that should be attributed to OHFA compared to the time attributed to homeowner or counselor delays.

DEPARTMENT OF JOB AND FAMILY SERVICES

Unemployment

- Expands the current law list of the types of compensation that are not considered "remuneration" for purposes of Ohio's Unemployment Compensation Law, thus matching the federal exclusions.

- Allows the Director of Job and Family Services to waive the assigned delinquency rate if the failure to timely furnish the required wage information was a result of circumstances beyond the control of the employer or the employer's agent.

- Requires penalties recovered for fraudulent payments and deposited into the Unemployment Compensation Fund under continuing law to be credited to the Mutualized Account within that Fund.

- Eliminates a $500 forfeiture that currently is required to be assessed against any employer who fails to furnish information to the Director as required by the Unemployment Compensation Law.

- Excludes unemployment repayments made pursuant to unclaimed fund recoveries, lottery award offsets, and state tax refund offsets, from the continuing law order by which the Director must credit employer accounts for amounts repaid.

Child care

- Permits a government or private nonprofit entity with which the Director has contracted to inspect type B family day-care homes to subcontract that duty to another government or private nonprofit entity.

- Eliminates the Director's authority to contract with a government or private nonprofit entity to license type B homes.

Publicly funded child care

- Permits a county department of job and family services (CDJFS) to presume that an applicant for publicly funded child care is eligible while the application is pending.

- Permits an applicant who has been determined ineligible to continue receiving publicly funded child care for up to five days after being determined ineligible.

- Permits a caretaker parent to continue receiving publicly funded child care for up to 13 weeks (during a 12-month period) despite failure to meet employment, education, or training requirements.

- Specifies that the Ohio Department of Job and Family Services (ODJFS), rather than CDJFSs, is responsible for ensuring the availability of protective child care.

- Specifies that ODJFS, rather than CDJFSs, may require a caretaker parent to pay a fee for publicly funded child care.

- Specifies that ODJFS, rather than CDJFSs, may establish a waiting list for publicly funded child care when available resources are insufficient to provide it to all eligible families, and repeals law that specifies CDJFS procedures with regard to waiting lists when resources become available.

- Repeals provisions that permit CDJFSs to specify a maximum amount of income a family may have for eligibility for publicly funded child care that is higher than the amount specified by ODJFS.

Child support

- Requires the Department of Job and Family Services to develop and implement a data match program with the State Lottery Commission or its lottery sales agents to identify obligors who are subject to a final and enforceable determination of default of a child support order in accordance with ongoing Lottery Law procedures.

- Requires the Department to develop and implement a data match program with each casino facility's casino operator or management company to identify obligors who are subject to a final and enforceable determination of default made under a support order.

Family and Children Services funds

- Requires ODJFS to provide evidence-informed strategies and to offer technical and other assistance to public children services agencies (PCSAs) that receive funding under the bill.

- Requires ODJFS to adopt rules establishing a county hardship ranking to determine the method of allocating funding under the bill.

- Prohibits a hardship county from reducing its annual expenditures on children's services unless the county obtains a waiver from ODJFS.

Workforce Training Pilot Program

- Establishes the Workforce Training Pilot Program for the Economically Disadvantaged to provide grants for demonstration projects in the fields of workforce development and life skills training.

- Requires the Director to administer the program for two years beginning July 1, 2014.

Other provisions

- Authorizes a county public children services agency to submit to the county records commission applications for one-time disposal, or schedules of records retention and disposition, of paper case records that have been entered into the state automated child welfare information system or other electronic files.

- Allows a county records commission to dispose of the paper case records pursuant to continuing law's record retention and disposal procedure.

- Requires the Director of Budget and Management to transfer the balances of certain Department funds to the Department's Administration and Operating Fund or the General Revenue Fund and abolishes the funds after the transfers are made.

- Provides for all money (received from the sale of real property) that is no longer needed for the operations of the Director under the state's Labor and Industry law to be deposited into the Unemployment Compensation Special Administrative Fund.

Unemployment

Definition of remuneration

(R.C. 4141.01(H) and R.C. 4123.56, not in the bill)

The bill expands the current law list of types of compensation that are not considered "remuneration" for purposes of Ohio's Unemployment Compensation Law (thus matching federal exclusions):

(1) Payments made to a health savings account or an Archer medical savings account, if it is reasonable to believe the employee will be able to exclude the payments from income;

(2) Remuneration on account of a stock transfer through an incentive stock option plan or employee stock purchase plan, or disposition of that stock;

(3) Any benefit or payment that is excluded from an employee's gross income if the employee is a qualified volunteer for an emergency response organization.

Remuneration is examined to determine the amount of contributions an employer must make to the Unemployment Compensation Fund, as well as the amount of unemployment benefits an individual may receive.

As a result of this change, the bill also excludes the types of compensation listed above from an employee's "net take-home weekly wage" for purposes of determining the amount of the employee's temporary total disability compensation under Ohio's Workers' Compensation Law. The definition of that term in the Workers' Compensation Law cross-references to the definition of "remuneration" under Ohio's Unemployment Compensation Law.

Penalty changes

Waiver of delinquency rate

(R.C. 4123.26 (and R.C. 5101.09, not in the bill))

The bill allows the Director of Job and Family Services to waive the delinquency unemployment contribution rate under specified circumstances. Currently, if an employer fails to timely furnish to the Director the wage information needed to determine the employer's contribution rate, the employer is assigned a rate that is 125% of the maximum rate identified in the contribution rate schedule. The delinquency rate for 2014 is 10.6%.[27]

The bill allows the Director to waive the delinquency rate assigned under continuing law if the failure to timely furnish the required wage information was a result of circumstances beyond the control of the employer or the employer's agent. The Director must adopt rules to prescribe requirements and procedures for requesting this waiver. The rules must be adopted under the Administrative Procedure Act.

Fraudulent payment penalty

(R.C. 4141.25 and 4141.35)

In addition to other continuing law penalties, with respect to any fraudulent misrepresentation made with the object of obtaining unemployment benefits, the Director must reject or cancel an individual's entire weekly claim for benefits that were fraudulently claimed, or in some cases, the individual's entire benefit rights. Additionally, the Director must assess a mandatory penalty on that individual in an amount equal to 25% of the total amount of benefits rejected or canceled. Of amounts collected, the first 60% of this penalty must be deposited into the Unemployment

[27] Department of Job and Family Services, Contribution Rates, http://jfs.ohio.gov/ouc/uctax/rates.stm.

Compensation Fund. The bill requires that the amount deposited in the Unemployment Compensation Fund be credited to the Mutualized Account within that Fund.

Quarterly reporting and forfeiture

(R.C. 4141.20)

Continuing law requires every employer, including those employers not otherwise subject to the Unemployment Compensation Law, to furnish the Director upon request all information required by the Director to carry out the requirements of that Law. The Director also may examine under oath any employer for the purpose of ascertaining any information that the employer is required by the Law to furnish to the Director. The bill eliminates the current law requirement that an employer who fails to furnish information required by the Director must forfeit $500. Under that eliminated provision, the amount must be collected in a lawsuit brought against the employer in the name of the state.

The bill also eliminates several apparently expired requirements for quarterly reporting and forfeiture amounts.

Application of repayments within the Unemployment Compensation Fund

(R.C. 4141.35)

The bill excludes unemployment repayments made pursuant to unclaimed fund recoveries, lottery award offsets, and state tax refund offsets, from the continuing law order by which the Director must credit employer accounts in the Unemployment Compensation Fund for amounts repaid. Current law, from which these fund recoveries are excluded under the bill, requires the Director to apply any repayment of improperly paid unemployment benefits first to the accounts of the individual's base period employers (employers with whom the claimant was employed for purposes of determining unemployment compensation benefits) that previously have not been credited for the amount of those improperly paid benefits that were charged against their accounts. If the amount of repayment is less than the amount of improperly paid benefits, the amount repaid must be split among these employer accounts based on the proportion of improperly paid benefits that were charged to each employer's account. The remaining is paid to the Mutualized Account. It is unclear how improperly paid benefits recovered pursuant to unclaimed fund recoveries, lottery award offsets, and state tax refund offsets will be applied to employer accounts under the bill.

Child care

Regulation of child care: background

(R.C. Chapter 5104.)

The Department and county departments of job and family services (CDJFSs) are responsible for the regulation of child care providers, other than preschool programs and school child programs, which are regulated by the Ohio Department of Education.[28] Child care can be provided in a facility, the home of the provider, or the child's home. Not all child care providers are subject to regulation, but a provider must be licensed or certified to be eligible to provide publicly funded child care. The distinctions among the types of providers are described in the table below.

Child Care Providers		
Type	**Description/Number of children served**	**Regulatory system**
Child day-care center	Any place in which child care is provided as follows: --For 13 or more children at one time; or --For 7-12 children at one time if the place is not the permanent residence of the licensee or administrator (which is, instead, a type A home).	A child day-care center must be licensed by the Department, regardless of whether it provides publicly funded child care.
Family day-care home	**Type A home** – a permanent residence of an administrator in which child care is provided as follows: --For 7-12 children at one time; or --For 4-12 children at one time if 4 or more are under age 2. **Type B home** – a permanent residence of the provider in which child care is provided as follows: --For 1-6 children at one time; and --No more than 3 children at one time under age 2.	A type A home must be licensed by the Department, regardless of whether it provides publicly funded child care. To be eligible to provide publicly funded child care, a type B home must be licensed by the Department.
In-home aide	A person who provides child care in a child's home but does not reside with the child.	To be eligible to provide publicly funded child care, an in-home aide must be certified by a CDJFS.

[28] R.C. 3301.51 to 3301.59, not in the bill.

Inspections and licensure of type B homes

(R.C. 5104.03)

As described above, a type B home that seeks to provide publicly funded child care must be licensed by the Department. When a license application is filed, the Director must investigate and inspect the type B home to determine the license capacity for each age category of children of the type B home and to determine whether the type B home complies with the child care law (Chapter 5104. of the Revised Code) and rules adopted under that law. The Director is permitted to contract with a government or private nonprofit entity to inspect and license type B homes.

The bill eliminates the Director's authority to contract with a government or private nonprofit entity to license type B homes. Additionally, it permits a government or private nonprofit entity with which the Director has contracted to inspect type B homes to subcontract that duty to another government or private nonprofit entity.

Publicly funded child care

(R.C. 5104.34, 5104.341, and 5104.38)

In Ohio, publicly funded child care is funded primarily through the federal Child Care and Development Block Grant and the Temporary Assistance for Needy Families (TANF) Block Grant, as well as state maintenance of effort funds.

Each year, the Child Care and Development Fund (CCDF), a federal program administered by the U.S. Department of Health and Human Services (HHS), provides grants to states to assist low-income working families in obtaining child care.[29] Eligible families may select from any licensed child care provider, including day-care centers and home-based settings. TANF funds used for child care are subject to the CCDF limitations.[30]

ODJFS has been designated the lead state agency responsible for the administration and coordination of CCDF funding.[31] To obtain CCDF grant money, ODJFS must submit, every two years, an application and plan to HHS for its approval.

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[29] 42 United States Code (U.S.C.) 9858n.

[30] 42 U.S.C. 618(c).

[31] R.C. 5104.30, not in the bill.

As a part of this process, ODJFS must provide assurances to HHS that it will comply with federal law.[32]

Presumptive eligibility

The bill permits a CDJFS to presume that an applicant for publicly funded child care is eligible while the application is pending. Additionally, an applicant who has been determined ineligible may continue to receive publicly funded child care for up to five days after that determination. This means that an applicant would no longer have to wait until eligibility is determined before beginning to receive child care services. It also means that some applicants could receive publicly funded child care despite being ineligible for it. Federal law does not contemplate providing publicly funded child care to ineligible persons, so these services would have to be paid for with state child care funds.

Continuous authorization

The bill permits a caretaker parent to continue receiving publicly funded child care for up to 13 weeks despite failure to meet employment, education, or training requirements. As a general condition of eligibility for publicly funded child care, recipients must be employed or participating in a program of education or training for an amount of time reasonably related to the time that the parent's children are receiving publicly funded child care. As a result, parental job disruption could result in the children being admitted and removed from child care repeatedly. The bill permits the recipient to remain authorized to receive publicly funded child care for a single period of up to 13 weeks until the caretaker parent meets the employment, education, and training requirements. Because federal law does not permit providing publicly funded child care to persons who do not meet work requirements, the continuous authorization the bill provides for would have to be funded with state child care funds.

Protective child care

The bill specifies that ODJFS, rather than CDJFSs, is responsible for ensuring the availability of protective child care. Protective child care is publicly funded child care for the direct care and protection of a child who (1) has been adjudicated abused, neglected, or dependent or (2) is homeless and is otherwise ineligible for publicly funded child care.[33] Under current law, CDJFSs are required to make protective child care services available to children without regard to the income or assets of the child's caretaker parent. The bill instead assigns this responsibility to ODJFS.

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[32] 42 U.S.C. 9858c.

[33] R.C. 5104.01(JJ), not in the bill.

Waiting lists

The bill permits ODJFS, rather than CDJFSs, to establish a waiting list for publicly funded child care when available resources are insufficient to provide it to all eligible families. Current law permits a waiting list to be established by a CDJFS that determines that available resources are not sufficient to provide publicly funded child care to all eligible families who request it. A CDJFS may establish separate waiting lists based on income.

When resources become available to provide publicly funded child care to families on the waiting list, a CDJFS that establishes a waiting list is required to assess the needs of the next family scheduled to receive publicly funded child care. If the assessment demonstrates that the family continues to need and is eligible for publicly funded child care, the CDJFS must offer it to the family. If the CDJFS determines that the family is no longer eligible or no longer needs publicly funded child care, the CDJFS must remove the family from the waiting list. The bill instead provides that ODJFS may establish a waiting list but repeals the law that specifies procedures with regard to waiting lists for publicly funded child care.

Maximum eligible income established by a CDJFS

The bill repeals law that authorizes CDJFSs to specify a maximum amount of income a family may have for eligibility for publicly funded child care that is higher than the amount specified by ODJFS. Current law requires ODJFS to establish a maximum amount of income a family may have for initial and continued eligibility for publicly funded child care that may not exceed 200% of the federal poverty line. In addition, ODJFS must specify procedures under which a CDJFS may establish a maximum amount of eligibility that is higher than the amount established by ODJFS, if ODJFS sets the maximum at less than 200% of the federal poverty line.[34] The bill eliminates a CDJFS's authority to establish a different maximum than ODJFS.

Fees paid by caretaker parents

The bill permits ODJFS, rather than CDJFSs, to require a caretaker parent to pay a fee for publicly funded child care. Current law permits a CDJFS, to the extent permitted by federal law, to require a caretaker parent to pay a fee for publicly funded child care pursuant to a schedule of fees adopted by ODJFS.

[34] At present, to be eligible for publicly funded child care, a family's income must be below 125% of the federal poverty line. For continued eligibility, the maximum is 200%.

Intercept child support from lottery prizes and casino winnings

(R.C. 3123.89 and 3123.90)

Lottery prize awards

Under the bill, ODJFS must develop and implement a data match program with the State Lottery Commission or its lottery sales agents to identify obligors who are subject to a final and enforceable determination of default under the Support Order Default Law in accordance with continuing Lottery Law provisions regarding deducting child support arrearages from a lottery prize award.

Under continuing law, if the amount of a lottery prize award is $600 or more, the Director of the State Lottery Commission or the Director's designee must require the prize winner to affirm whether or not the person is in default under a support order. The Director or the Director's designee also can take any additional steps to determine default. If the prize winner affirms or if the Director or the Director's designee determines that the person is in default, the Director or the Director's designee must temporarily withhold payment of the prize award and notify the child support enforcement agency (CSEA) that administers the support order. The CSEA is required to conduct an investigation to determine whether the prize winner is subject to a final and enforceable determination of default made under the Support Order Default Law. If the CSEA determines that the person is so subject, it must issue an intercept directive to the Director requiring a deduction from any unpaid prize award. A CSEA must issue an intercept directive within 30 days from receiving the notice. Within 30 days after the date on which the CSEA issues the intercept directive, the Director or the Director's designee must pay the amount specified in the intercept directive to the Office of Child Support in ODJFS.

Casino winnings

The bill requires ODJFS to develop and implement a data match program with each casino facility's casino operator or management company to identify obligors who are subject to a final and enforceable determination of default made under the Support Order Default Law. Upon the data match program's implementation, if a person's winnings at a casino facility are $600 or more, the casino operator or management company must determine if the person entitled to the winnings is in default under a support order. If the casino operator or management company determines that the person is in default, the casino operator or management company must withhold from the person's winnings an amount sufficient to satisfy any past due support owed by the obligor identified in the data match up to the amount of the winnings.

Not later than seven days after withholding the amount, the casino operator or management company must transmit any amount withheld to ODJFS as payment on the support obligation.

ODJFS can adopt rules under the Administrative Procedure Act as are necessary for implementation of the data match program.

Use of Family and Children Services funds

(Sections 610.20 and 610.21 (amending Section 301.143 of H.B. 59 of the 130th General Assembly))

The bill allocates $10 million of an appropriation made for fiscal year 2015 to ODJFS (item 600523, Family and Children Services) to be used as follows:

(1) Up to $3.2 million must be used to match certain eligible federal funds allocated to public children services agencies (PCSAs);

(2) 75% of the remaining funds must be allocated to PCSAs in accordance with current law governing the manner of fund distribution to PCSAs;

(3) 25% of the remaining funds must be allocated to counties identified by ODJFS as "hardship counties" (see below).

Use of evidence-informed strategies

For PCSAs receiving funds under item (2) above, ODJFS is required to provide information regarding evidence-informed strategies and to offer technical and other assistance to the PCSAs that adopted the suggested strategies. Each PCSA that receives this funding must review its programs, identify agency needs, and select strategies to improve outcomes. A PCSA that receives this funding may select evidence-informed strategies other than the ones provided by ODJFS, but must implement and collect outcome data about those strategies without ODJFS assistance.

County hardship ranking and maintenance of effort

To determine the counties that are eligible to receive funding under item (3) above ("hardship funds"), ODJFS is required to adopt R.C. 111.15 administrative rules to establish a county hardship ranking. ODJFS is required to consider all of the following when adopting these rules:

(1) The number of children residing in the county based on the most recent decennial federal census;

(2) The percentage of children living in poverty in the county, based on the most recent data;

(3) The county's average unemployment rate for the immediately preceding fiscal year;

(4) The county's average real estate property values for the immediately preceding fiscal year;

(5) The amount of taxes collected by the county in the immediately preceding fiscal year;

(6) The amount of the county's public children services agency annual expenditures in the immediately preceding fiscal year.

The bill specifies that funds given to hardship counties are to supplement, not replace, county funds spent on childrens' services. Under the bill, a county that receives hardship funds must not reduce its annual expenditures for childrens' services below the average amount spent on childrens' services for the immediately preceding three fiscal years. For any county that reduces its childrens' services spending in violation of the bill's requirements, ODJFS is required to reduce the amount of hardship funds allocated to the county. ODJFS may waive the requirement that a county maintain its childrens' services spending if the county presents to ODJFS evidence of events that have led to a significant change to the county's fiscal stability, including the loss of a major local employer or other negative impacts to the local base of taxation.

Workforce Training Pilot Program for the Economically Disadvantaged

(Section 751.33)

The bill establishes the Workforce Training Pilot Program for the Economically Disadvantaged to provide grants for training in life and technical skills. The bill specifies that the Director is to administer the pilot program for a period of two years, beginning July 1, 2014.

Request for proposals

The bill requires that the Director, in consultation with the Director of Development Services and JobsOhio, issue a request for proposals from entities seeking to receive a grant to create and administer a demonstration project in the field of workforce development. The demonstration project must provide training to those individuals determined by the applicant to be economically disadvantaged and must be

located in a region specified in the bill (see "**Awarding grants**" below). The request for proposals must include all of the following as conditions of eligibility to receive a grant:

(1) The applicant must include in the proposal a description of the manner in which the applicant will determine whether an individual is economically disadvantaged;

(2) The demonstration project must provide life skills training to assist an individual in developing character traits necessary to obtain employment, as well as technical and field-related training;

(3) In creating and administering the demonstration project, the applicant must collaborate with an organization in the region where the project is located and with at least one organization that is a community-based nonprofit organization with experience in life-skill support services and workforce development;

(4) The applicant must satisfy any other requirements established in the request for proposals.

Awarding grants

The bill requires that the Director of Job and Family Services, in consultation with the Director of Development Services and JobsOhio, award a grant in fiscal year 2015 for a demonstration project in each of the following six regions of the state:

(1) The counties of Allen, Crawford, Defiance, Fulton, Hancock, Hardin, Henry, Lucas, Ottawa, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, Wood, and Wyandot;

(2) The counties of Ashland, Ashtabula, Columbiana, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, and Wayne;

(3) The counties of Auglaize, Champaign, Clark, Clinton, Darke, Fayette, Greene, Mercer, Miami, Montgomery, Preble, and Shelby;

(4) The counties of Delaware, Fairfield, Franklin, Knox, Licking, Logan, Madison, Marion, Morrow, Pickaway, and Union;

(5) The counties of Adams, Athens, Belmont, Carroll, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Vinton, and Washington;

(6) The counties of Brown, Butler, Clermont, Hamilton, and Warren.

Under the bill, the Director of Job and Family Services may award a grant to one or two demonstration projects located in a region described above; however, the bill specifies that a region cannot receive more than $2 million in grant funding.

Rulemaking

The bill requires the Director to adopt rules in accordance with the Administrative Procedure Act (Chapter 119. of the Revised Code) to establish reporting requirements for grant recipients. The rules must require a recipient to report on the successful completion rate of demonstration project participants, rate of job placement of participants, tracking of participant's employment after completion of the project, and any other information requested by the Director. The bill further provides that the Director must require grant recipients to report this information during the two-year pilot program and must submit a final report upon the expiration of the pilot program. The bill also specifies that a grant recipient must comply with rules adopted by the Director.

Other provisions

Disposal of county public children services agency's paper records

(R.C. 149.38)

The bill authorizes a county public children services agency to submit to the county records commission applications for one-time disposal, or schedules of records retention and disposition, of paper case records that have been entered into permanently maintained and retrievable fields in the state automated child welfare information system established by ODJFS, or entered into other permanently maintained and retrievable electronic files. The county records commission may dispose of those paper case records pursuant to continuing law's record retention and disposal procedure. Under part of that procedure, the county records commission provides rules for the retention and disposal of records of the county, and reviews applications for one-time disposal of obsolete records and schedules of records retention and disposition submitted by county offices.

Under the bill, "paper case records" means written reports of child abuse or neglect, written records of investigations, or other written records required to be prepared under continuing law. These records include records of investigations of children and families, of children's care in out-of-home care, and of abused, neglected, or dependent children; records of care and treatment provided to children and families; records of investigations of families, children, and foster homes, and of the care,

training, and treatment afforded children; and any other information related to children and families that state or federal law, regulation, or rule requires ODJFS or a public children services agency to maintain.[35]

ODJFS funds abolished

(R.C. 3125.191 (repealed), 4141.09, 4141.11, and 4141.131; Section 512.30)

The bill requires the Director of Budget and Management to transfer all cash in the following ODJFS funds to ODJFS's Administration and Operating Fund:

(1) The ABD Managed Care – Federal Fund;

(2) The ABD Managed Care – State Fund;

(3) The Adoption Connection Fund;

(4) The Banking Fees Fund;

(5) The BCII Service Fees Fund;

(6) The BES Automation Administration Fund;

(7) The BES Building Consolidation Fund;

(8) The BES Building Enhancement Fund;

(9) The Child & Adult Protective Services Fund;

(10) The Children's Hospitals – Federal Fund;

(11) The Child Support Activities Fund;

(12) The Child Support Operating Fund;

(13) The Child Support Special Payment Fund;

(14) The Child Support Supplement Fund;

(15) The Commission on Fatherhood Fund;

(16) The County Technologies Fund;

(17) The EBT Contracted Services Fund;

[35] R.C. 2151.421, 5101.13, 5153.166, or 5153.17.

(18) The Federal Fiscal Relief Fund;

(19) The Ford Foundation Fund;

(20) The Ford Foundation Reimbursement Fund;

(21) The Health Care Grants Fund;

(22) The HIPPY Program Fund;

(23) The Income Maintenance Reimbursement Fund;

(24) The Interagency Programs Fund;

(25) The Job Training Program Fund;

(26) The Medicaid Admin Reimbursement Fund;

(27) The OhioWorks Supplement Fund;

(28) The Private Child Care Agencies Training Fund;

(29) The Public Assistance Reconciliation Fund;

(30) The State and Local Training Fund;

(31) The State Option Food Stamp Program Fund;

(32) The TANF Child Welfare Fund;

(33) The TANF – Employment & Training Fund;

(34) The TANF QC Reinvestment Fund;

(35) The Third Party Recoveries Fund;

(36) The Training Activities Fund;

(37) The Welfare Overpayment Intercept Fund;

(38) The Wellness Block Grant Fund.

The Director of Budget and Management is required to transfer to the General Revenue Fund all cash in the OhioCare Fund, Human Services Stabilization Fund, and Managed Care Assessment Fund.

All of the transfers are to be completed within 90 days of the effective date of this provision of the bill or as soon as possible thereafter. The funds from which the transfers are to be made are abolished on the transfers' completion.

Only four of the funds to be abolished are currently established in the Revised Code: the Banking Fees Fund, BES Building Consolidation Fund, BES Building Enhancement Fund, and Child Support Operating Fund.[36] As part of the elimination of these funds, the bill repeals the laws establishing them. The rest of the funds were established administratively.

Under current law, earnest money from the sale of real property no longer needed for the ODJFS Director's operations under Title 41 of the Revised Code (Labor and Industry) must be deposited into the BES Consolidation Fund and the balance of the purchase price must be deposited into the BES Building Enhancement Fund (other than amounts needed to reimburse the Unemployment Compensation Special Administrative Fund for all costs associated with the sales). As part of the elimination of the BES Consolidation Fund and BES Enhancement Fund, the bill requires that all money received from such sales be deposited into the Unemployment Compensation Special Administration Fund.

[36] Currently, the BES Consolidation Fund and BES Building Enhancement Fund are called the ODJFS Building Consolidation Fund and ODJFS Building Enhancement Fund, respectively, in the Revised Code.

- Establishes requirements for long-term care facilities regarding residents who are identified as sex offenders in the Attorney General's Internet-based sex offender and child-victim offender database.
- Requires, until June 30, 2015, that the Medicaid payment rates for services provided under the Assisted Living Program be 1.5% higher than the rates for the services in effect on July 1, 2013.

Long-term care facility admitting sexual offender

(R.C. 3721.122)

The bill requires the administrator of a long-term care facility (nursing home, residential care facility, veteran's home, skilled nursing facility, nursing facility, county home, and district home) to search for an individual's name in the Attorney General's Internet-based sex offender and child-victim offender database before admitting the individual as a resident of the facility. If the search results identify the individual as a sex offender and the individual is admitted as a resident to the long-term care facility, the administrator must provide for the facility to do all of the following:

(1) Develop a plan of care to protect the other residents' rights to a safe environment and to be free from abuse;

(2) Notify all of the facility's other residents and their sponsors that a sex offender has been admitted as a resident to the facility and include in the notice a description of the plan of care;

(3) Direct the individual in updating the individual's address under state law governing the registration of sex offenders with county sheriffs and, if the individual is unable to do so without assistance, provide the assistance the individual needs to update the individual's address.

Assisted Living Program payment rates

(Sections 610.20, 610.21, and 751.50)

The bill requires that the Medicaid payment rates for services provided under the Assisted Living Program during the period beginning on the effective date of this provision of the bill and ending June 30, 2015, be 1.5% higher than the rates for the services in effect on July 1, 2013.

- Defines the term "massage therapy" for the purposes of the Massage Therapy Certification Law.
- Allows the State Medical Board to adopt rules to establish continuing education requirements for all of the limited branches of medicine regulated by the Board, and eliminates the statutory requirements for continuing education for cosmetic therapists.
- Authorizes the State Medical Board to accept money from a fine, civil penalty, or seizure or forfeiture of property.

Definition of massage therapy

(R.C. 4731.15)

The bill defines "massage therapy" for the purposes of the Massage Therapy Certification Law as "the treatment of disorders of the human body by the manipulation of soft tissue through the systematic external application of massage techniques including touch, stroking, friction, vibration, percussion, kneading, stretching, compression, and joint movement within the normal physiologic range of motion; and adjunctive thereto, the external application of water, heat, cold, topical preparations, and mechanical devices." Current law has no definition of the term.

Continuing education for limited branch practitioners

(R.C. 4731.155)

The bill allows the State Medical Board to adopt rules in accordance with the Administrative Procedure Act to establish continuing education requirements to renew a certificate issued by the Board to practice any of the following limited branches of medicine:

- Massage therapy;
- Cosmetic therapy;
- Naprapathy;
- Mechanotherapy.

Of the four limited branches, current law requires only cosmetic therapists to complete continuing education requirements to renew a certificate, and the bill eliminates those statutory requirements.

Currently, a cosmetic therapist must complete no less than 25 hours of continuing education in a program approved by the Board. The cosmetic therapist must submit a sworn affidavit asserting compliance with the requirements. Currently, the State Medical Board only has the power to pro-rate or excuse the number of required continuing education hours in limited circumstances. The bill also eliminates the provision that states a cosmetic therapist's failure to comply with the current continuing education provision constitutes a failure to renew the registration.

Acceptance of money from a fine, penalty, or seizure

(R.C. 4731.24 and 4731.241)

Under state and federal law, fines and penalties may be imposed or property seized or forfeited for violation of criminal laws or civil prohibitions. Ohio law permits sale of forfeited property and specifies how the proceeds are to be dispersed.[37] The bill authorizes the State Medical Board to accept from the state, a political subdivision of the state, or the federal government money that results from a fine, civil penalty, or seizure or forfeiture of property. Any money received by the Board under this authority must be deposited in the existing State Medical Board Operating Fund and may be used only to further the investigation, enforcement, and compliance activities of the Board.

[37] R.C. 2981.13, not in the bill.

DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

ADAMHS board members

- Modifies the criteria to be considered when appointing members of a board of alcohol, drug addiction, and mental health services (ADAMHS board) who must be recipients of mental health or addiction services by eliminating a provision requiring that those services were publicly funded.

Opioid, co-occurring drug addiction treatment duties of ADAMHS boards

- Requires, beginning two years after the bill's effective date, that each ADAMHS board establish, to the extent resources are available, a full spectrum of care for all levels of treatment services for opioid and co-occurring drug addiction.

- Requires ODMHAS to assist an ADAMHS board with the full spectrum of care for ODMHAS-approved treatment services for opioid and co-occurring drug addiction and, to the extent it has available resources, support the full spectrum of care on a single ADAMHS district or a multi-district basis.

- Requires that the full spectrum of care include at least ambulatory and subacute detoxification, nonintensive and intensive outpatient services, peer mentoring, residential treatment services, 12-step approaches, medication-assisted treatment, and recovery housing.

- Requires ODMHAS to withhold all of an ADAMHS board's allocated funds if ODMHAS disapproves the board's budget because the board fails to identify funds the board has available for opioid and co-occurring drug addiction treatment services or if the board fails to make the full spectrum of care available in its service district.

- Establishes certain restrictions, requirements, and options for the recovery housing that each ADAMHS board is to include in the full spectrum of care.

- Exempts recovery housing that is part of an ADAMHS board's full spectrum of care from certification by ODMHAS as a community mental health services provider or community addiction services provider.

- Permits an ADAMHS board to provide treatment services included in the full spectrum of care to eligible individuals with alcohol or other types of drug addictions if the amount of funds the board has for the full spectrum of care is greater than the amount needed to provide the treatment services to all eligible

individuals with opioid and co-occurring drug addiction who apply to the board for the treatment services.

- Requires each community addiction services provider, beginning two years after the bill's effective date, to maintain, in an aggregate form, a waiting list of applicants who need certain alcohol and drug addiction services but have not begun to receive the treatment services within five days of applying because the provider lacks an available slot.

- Requires each provider to notify an individual on the waiting list when the provider has a slot available for the individual and, if the individual does not contact the provider about the slot, to contact the individual to determine why the individual did not contact the provider and to assess whether the individual still needs the treatment service.

- Requires each provider to report certain information monthly about the waiting lists to each ADAMHS board that serves the county or counties in which the provider provides alcohol and drug addiction services.

- Requires each ADAMHS board to compile monthly on an aggregate basis the information the board receives that month from the providers and to determine specified information about denied applications for certain treatment services.

- Requires each ADAMHS board to report monthly to ODMHAS (1) the information the board compiles from the reports it receives from the providers, (2) the information about denied applications, and (3) all other information the ODMHAS Director requires in rules.

- Requires ODMHAS to make the reports it receives from ADAMHS boards available on ODMHAS's Internet website and in a manner that presents the information on statewide and county-level basis.

Subacute detoxification part of continuum of care

- Permits, beginning two years after the bill's effective date, the continuum of care that ADAMHS boards establish for other services to include subacute detoxification.

ODMHAS withholding funds from ADAMHS boards

- Gives an ADAMHS board, when it receives a notice from ODMHAS that the board is out of compliance with statutory requirements, the option to submit to ODMHAS evidence of corrective action the board took to achieve compliance.

- Provides that an ADAMHS board has 30, instead of 10, days to present its position that it is in compliance with statutory requirements or to submit evidence of corrective action it took to achieve compliance after receiving a notice from ODMHAS that the board is out of compliance with the statutory requirements.

- Requires ODMHAS to hold a hearing within 30, instead of 10, days after receiving the board's position or evidence.

- Permits ODMHAS to appoint a representative of another board that is in compliance to serve as a mentor for the board in developing and executing a plan of corrective action to achieve compliance.

Intake and resumption of services procedures

- Requires the ODMHAS Director to adopt rules to (1) streamline the intake procedures used by the providers when accepting and beginning to serve new patients and (2) enable providers to retain patients as active patients even though the patients last received services more than 30 days before resumption of services.

- Requires that the rules (1) be modeled on the intake and resumption of service procedures used by primary care physicians and (2) facilitate the exchange of information about patients between providers and primary care physicians.

ODMHAS's community behavioral health appropriation

- Eliminates a requirement that $30 million of ODMHAS's appropriation for community behavioral health be allocated to ADAMHS boards for mental health services and $17.5 million of the appropriation be allocated to ADAMHS boards for addiction services.

- Provides for $24,850,000 of ODMHAS's fiscal year 2015 appropriation for community behavioral health to be used for various purposes including for step-down regional crisis stabilization units, recovery housing, and programs that ADAMHS boards started in fiscal year 2014, depending on how close the actual enrollment of newly eligible individuals under the Medicaid expansion in fiscal year 2014 is to the projected enrollment.

- Requires that $5,078,200 of ODMHAS's fiscal year 2015 appropriation for community behavioral health be used to maintain the level of funding for the Substance Abuse Prevention and Treatment Block Grant.

- Requires that $5 million of ODMHAS's fiscal year 2015 appropriation for community behavioral health be used to expand prevention-based resources statewide.

- Requires that $3.75 million of ODMHAS's fiscal year 2015 appropriation for community behavioral health be used to expand the Residential State Supplement Program.

- Provides for $8,821,800 of ODMHAS's fiscal year 2015 appropriation for community behavioral health to be transferred to a new appropriation item to be used by the Ohio Department of Rehabilitation and Correction to defray a portion of the annual payroll costs associated with the employment of up to two specialized docket staff members by eligible courts.

Mental health and drug addiction services for returning offenders

- Requires the ADAMHS boards serving Cuyahoga, Franklin, Hamilton, Montgomery, and Summit counties to prioritize the use of certain funds to temporarily assist returning offenders who have severe mental illnesses, severe substance use disorders, or both in obtaining Medicaid-covered community mental health services, Medicaid-covered community drug addiction services, or both.

Records

- Excludes ODMHAS records from the general medical records production requirement, if release of the record is covered by ODMHAS Law.

ADAMHS board member qualifications

(R.C. 340.02 and 340.021)

Under existing law, each board of alcohol, drug addiction, and mental health services (ADAMHS board) must include at least one person who has received or is receiving mental health services paid for by public funds and at least one person who has received or is receiving addiction services paid for by public funds. The bill eliminates the requirement that the qualifying services be publicly funded. As a result, each ADAMHS board must include at least one person who has received or is receiving mental health services, whether publicly funded or not, and at least one person who has received or is receiving addiction services, whether publicly funded or not.

Similarly, under existing law, each community mental health board that serves the function of an ADAMHS board with regard to mental health services must include at least one person who has received or is receiving mental health services paid for by public funds, and each alcohol and drug addiction services board that serves the function of an ADAMHS board with regard to addiction services must include at least

one person who has received or is receiving addiction services paid for by public funds. For both community mental health board and an alcohol and drug addiction services board, the bill eliminates the requirement that qualifying services be publicly funded.

Opioid, co-occurring drug addiction treatment duties of ADAMHS boards

(R.C. 340.01, 340.03, 340.08, 340.09, 340.092, 340.093, 340.15, 340.20, 5119.21, 5119.22, 5119.23, 5119.25, 5119.362, 5119.363, and 5119.364; Section 812.40)

The bill establishes requirements regarding services available from ADAMHS boards. The requirements take effect two years after the bill's effective date.

Full spectrum of care

Current law requires each ADAMHS board to establish, to the extent resources are available, a continuum of care that provides for prevention, treatment, support, and rehabilitation services and opportunities. ODMHAS is required to assist any county with the provision of ODMHAS-approved services within the continuum of care. To the extent it has available resources, ODMHAS must support the continuum of care on an ADAMHS board district or multi-district basis.

The bill requires an ADAMHS board to establish, to the extent resources are available, a full spectrum of care for all levels of treatment services for opioid and co-occurring drug addiction and a continuum of care for other services. ODMHAS must assist a county with (1) the full spectrum of care for all levels of ODMHAS-approved treatment services for opioid and co-occurring drug addiction made available in the county by the ADAMHS board serving the county and (2) the continuum of care for other ODMHAS-approved services that the ADAMHS board makes available in the county. ODMHAS also must, to the extent it has available resources, support the full spectrum of care and continuum of care on a single ADAMHS district or a multi-district basis.

The bill requires that the full spectrum of care for all levels of treatment services for opioid and co-occurring drug addiction include at least ambulatory and subacute detoxification, nonintensive and intensive outpatient services, peer mentoring, residential treatment services, 12-step approaches, medication-assisted treatment, and recovery housing. "Medication-assisted treatment" is defined as alcohol and drug addiction services that are accompanied by medication approved by the U.S. Food and Drug Administration for the treatment of drug addiction, prevention of a relapse of drug addiction, or both. The bill defines "recovery housing" as housing for individuals recovering from drug addiction that provides an alcohol and drug-free living environment, peer support, assistance with obtaining drug addiction services, and other drug addiction recovery assistance. (See "**Recovery housing**," below.)

The bill requires each ADAMHS board to make available in its service district the treatment services for opioid and co-occurring drug addiction included in the full spectrum of care. However, a treatment service consisting of subacute detoxification or residential treatment services for opioid and co-occurring drug addiction is not required to be available in the board's service district if the board has a contract with one or more providers of such services located in other service districts. The treatment services for opioid and co-occurring drug addiction included in the full spectrum of care must be made available in a manner that ensures that service recipients are able to access the services they need for opioid and co-occurring drug addiction in an integrated manner and without delay when changing or obtaining additional treatment services for such addiction. A treatment service for opioid and co-occurring drug addiction is not to be excluded from the full spectrum of care on the basis that the service previously failed.

ADAMHS board budgets

Current law requires each ADAMHS board to submit to ODMHAS a report of receipts and expenditures (i.e., a budget) for all federal, state, and local money the board expects to receive. The bill requires that the budget identify funds the ADAMHS board has available for the treatment services for opioid and co-occurring drug addiction that the bill requires be included in its full spectrum of care. Current law permits ODMHAS to withhold all or part of the funds allocated to an ADAMHS board if ODMHAS disapproves all or part of the board's budget. The bill requires ODMHAS to withhold all of an ADAMHS board's allocated funds if ODMHAS disapproves the board's budget because the board fails to identify funds the board has available for opioid and co-occurring drug addiction treatment services.

Current law permits the ODMHAS Director, in whole or in part, to withhold funds otherwise to be allocated to an ADAMHS board if the board's use of state and federal funds fails to comply with its ODMHAS-approved budget. The bill requires the Director to withhold all funds to be allocated to an ADAMHS board if the board fails to make the full spectrum of care for opioid and co-occurring drug addiction available in its service district.

Recovery housing

The bill establishes the following restrictions, requirements, and options for the recovery housing that each ADAMHS board is to include in the full spectrum of care for all levels of treatment services for opioid and co-occurring drug addiction:

(1) The recovery housing cannot be owned or operated by a residential facility subject to licensure by ODMHAS and instead must be owned and operated by (a) a community addiction services provider or other local nongovernmental organization

(including a peer-run recovery organization), as appropriate to the needs of the ADAMHS board's service district or (b) the board if the board owns and operates the recovery housing on the effective date of this provision of the bill or the board determines that there is an emergency need for the board to assume the ownership and operation of the recovery housing, such as when an existing owner and operator goes out of business, and the board considers the assumption of the ownership and operation to be its last resort.

(2) The recovery must have protocols for administrative oversight, quality standards, and policies and procedures (including house rules) for its residents to which the residents must agree to adhere.

(3) Individuals recovering from opioid or co-occurring drug addiction must have priority in admission to the recovery housing, but an individual recovering from other drug addictions may be admitted if an available slot is not needed for an individual recovering from opioid or co-occurring drug addiction.

(4) Family members of the recovery housing's residents may reside in the recovery housing to the extent the recovery housing's protocols permit.

(5) The recovery housing is not to limit a resident's duration of stay to an arbitrary or fixed amount of time and, instead, each resident's duration of stay must be determined by the resident's needs, progress, and willingness to abide by the recovery housing's protocols, in collaboration with the recovery housing's owner, and, if appropriate, in consultation and integration with a community addiction services provider.

(6) The recovery housing's residents may receive medication-assisted treatment while residing n the recovery housing.

Recovery housing that is part of an ADAMHS board's full spectrum of care is exempt from certification by ODMHAS as a community mental health services provider or community addiction services provider.

Use of full spectrum of care for other addictions

The bill permits an ADAMHS board, if the amount of funds that it has for the full spectrum of care for all levels of treatment services for opioid and co-occurring drug addiction is greater than the amount needed to provide the treatment services to all eligible individuals with opioid and co-occurring drug addictions who apply to the board for the treatment services, to use the excess funds to provide the treatment services to other eligible individuals with alcohol or other types of drug addictions.

Waiting lists and reports

The bill requires each community addiction services provider to do both of the following in accordance with rules the ODMHAS Director must adopt:

(1) Maintain, in an aggregate form, a waiting list of each individual who has (a) been documented as having a clinical need for alcohol and drug addiction services due to an opioid or co-occurring drug addiction, (b) applied to the provider for a clinically necessary treatment service included in the full spectrum of care for all levels of treatment for opioid and co-occurring drug addiction, and (c) not begun to receive the clinically necessary treatment services within five days of the individual's application for the services because the provider lacks an available slot for the individual;

(2) Notify an individual included on the provider's waiting list when the provider has a slot available for the individual and, if the individual does not contact the provider about the slot within a period of time to be specified in the ODMHAS Director's rules, contact the individual to determine why the individual did not contact the provider and to assess whether the individual still needs the treatment service.

A community addiction services provider also is required monthly to report certain information about the waiting lists to each ADAMHS board that serves the county or counties in which the provider provides alcohol and drug addiction services. If a provider provides the services in more than one county and those counties are served by different ADAMHS boards, the provider must provide separate reports to each of the boards that serve the counties in which the provider provides the services. The report provided to an ADAMHS board is to be specific to the county or counties the board serves and not include information for individuals residing in other counties. The reports are to be made in accordance with rules the ODMHAS Director is to adopt. Specifically, providers are to report all of the following:

(1) An unduplicated count of all individuals who reside in a county that the ADAMHS board serves and were included on the provider's waiting list as of the last day of the immediately preceding month and each type of treatment service for which they were waiting;

(2) The total number of days all such individuals had been on the provider's waiting list as of the last day of the immediately preceding month;

(3) The last known types of residential settings, identified at a minimum as either institutional or noninstitutional, in which all such individuals resided as of the last day of the immediately preceding month;

(4) The number of all such individuals who did not contact the provider after receiving, during the immediately preceding month, notices about the provider having slots available for the individuals, and the reasons the contacts were not made;

(5) The number of all such individuals who withdrew, in the immediately preceding month, their applications for the treatment services, each type of treatment service for which those individuals had applied, and the reasons the applications were withdrawn;

(6) All other information specified in the ODMHAS Director's rules.

In submitting a report to an ADAMHS board, a community addiction services provider must maintain the confidentiality of all individuals for whom information is included in the report. If the report is provided to an ADAMHS board that serves more than one county, the information included in the report is to be presented in a manner that is broken down for each of the counties the board serves.

The bill establishes requirements for ADAMHS boards receiving the reports from community addiction services providers. An ADAMHS board is to do both of the following monthly in accordance with rules the ODMHAS Director is to adopt:

(1) Compile on an aggregate basis the information the board receives that month from the providers;

(2) Determine the number of applications for a treatment service included in the full spectrum of care for all levels of treatment services for opioid and co-occurring drug addiction that the board received in the immediately preceding month and that the board denied that month, each type of treatment service so denied, and the reasons for the denials.

An ADAMHS board also is required to report certain information to ODMHAS monthly in accordance with rules the ODMHAS Director is to adopt. Specifically, the board must report (1) the information the board compiles from the reports it receives from community addiction services providers, (2) the information about denied applications for treatment services included in the full spectrum of care for opioid and co-occurring drug addiction, and (3) all other information the ODMHAS Director's rules require. The information must be reported to ODMHAS in an electronic format, in a manner that maintains the confidentiality of all individuals for whom information is included in the report, and in a manner that presents the information about such individuals by their counties of residence.

The bill requires ODMHAS to make the reports it receives from ADAMHS boards available on ODMHAS's Internet website. The information contained in the

reports is to be presented on the website on statewide and county-level bases. The information on the website is to be updated monthly after the boards submit new reports to ODMHAS.

Subacute detoxification part of continuum of care

(R.C. 340.09; Section 812.40)

Current law provides that the categories in an ADAMHS board's continuum of care may include the following services: inpatient, residential, outpatient treatment, intensive and other supports, recovery support, and prevention and wellness management. The bill permits the continuum of care also to include subacute detoxification.

ODMHAS withholding funds from ADAMHS boards

(R.C. 5119.25; Section 812.40)

Current law permits the ODMHAS Director to withhold all or part of the funds otherwise allocated to an ADAMHS board if the board fails to comply with statutory requirements. As discussed above, the bill requires the ODMHAS Director to withhold all of such funds from a board if ODMHAS disapproves the board's budget because the board fails to identify funds the board has available for opioid and co-occurring drug addiction treatment services or if the board fails to make the full spectrum of care for all levels of treatment services for opioid and co-occurring drug addiction available in the board's service district as the bill requires.

Continuing law requires the ODMHAS Director to issue a notice of noncompliance and identify the action necessary to achieve compliance. Under current law, an ADAMHS board has ten days from receipt of the notice to present its position that it is in compliance. The bill gives a board 30 days and the option of submitting to the Director within that 30-day period evidence of corrective action the board took to achieve compliance (rather than presenting its position that it is in compliance). Current law requires the Director or the designee to hold a hearing within ten days of receipt of the board's position that it is in compliance. Under the bill, the hearing must be held within 30 days of receiving the board's position that it is in compliance or evidence of the board's corrective action. The purpose of the hearing under current law is, in part, to determine that either assistance is rejected or the board is unable to achieve compliance. The bill provides that the hearing's purpose is, in part, to determine that either assistance is rejected or the board is unable, *or has failed*, to achieve compliance. The Director is permitted by the bill to appoint a representative from another ADAMHS board to serve as a mentor for the board in developing and executing a plan of

corrective action to achieve compliance. The representative must be from a board that is in compliance with statutory requirements.

Current law permits the Director to adopt rules to implement the provisions regarding withholding funds and holding hearings. The bill requires that the Director adopt such rules.

If it is determined from a hearing that an ADAMHS board has not achieved compliance, the Director is permitted under current law to allocate all or part of the funds it withholds from the board to a public or private agency to provide the community mental health or community addiction service for which the board is not in compliance. The bill specifies that such withheld funds may be allocated to one or more community mental health services providers or community addiction services providers to provide the services for which the board is not in compliance. Continuing law defines "community mental health services provider" as an agency, association, corporation, individual, or program that provides ODMHAS-certified community mental health services. Continuing law defines "community addiction services provider" as an agency, association, corporation, individual, or program that provides ODMHAS-certified community alcohol, drug addiction, or gambling addiction services.

Intake and resumption of services procedures

(R.C. 5119.365)

The bill requires the ODMHAS Director to adopt rules in accordance with the Administrative Procedure Act (R.C. Chapter 119.) to do both of the following:

(1) Streamline the intake procedures used by a community addiction services provider accepting and beginning to serve a new patient, including procedures regarding intake forms and questionnaires;

(2) Enable a community addiction services provider to retain a patient as an active patient even though the patient last received services from the provider more than 30 days before resumption of services so that the patient and provider do not have to repeat the intake procedures.

The rules must model the intake and resumption of service procedures on the procedures used by primary care physicians. The rules also must facilitate the exchange of information about patients between community addiction services providers and primary care physicians.

ODMHAS's community behavioral health appropriation

(Sections 690.10, 751.60, 751.70, 751.80, 751.90, and 751.100)

H.B. 59 of the 130th General Assembly (the main operating budget for fiscal years 2014 and 2015) appropriated $47.5 million to ODMHAS for community behavioral health. The bill revises how the appropriation is to be used.

Elimination of current earmarks

The bill eliminates a requirement enacted by H.B. 59 that $30 million of the appropriation be allocated to ADAMHS boards for mental health services and $17.5 million be allocated to ADAMHS boards for addiction services, including medication, treatment programs, and counseling.

Step-down units, recovery housing, and continued programs

The bill requires the Department of Medicaid to calculate the variance between the actual and projected enrollment of newly eligible individuals under the Medicaid expansion in fiscal year 2014. The calculation is to be made on July 1, 2014, or as soon as possible thereafter. The projected enrollment is to be the number specified in a report produced on February 13, 2014, by Mercer Health and Benefits LLC called the "Fiscal Impact of the Affordable Care Act on Medicaid Enrollment and Program Cost." How $24,850,000 of ODMHAS's fiscal year 2015 appropriation for community behavioral health is to be used depends on how close the actual enrollment is to the projected enrollment.

Use of funds if variance is not more than 10%

If the actual enrollment is *not* more than 10% less than the projected enrollment, the $24,850,000 is to be used as follows:

(1) To provide six step-down regional crisis stabilization units, for a total of up to 90 beds, in accordance with a state allocation formula ODMHAS is to create;

(2) To provide state funds to the ADAMHS boards serving Cuyahoga, Franklin, Hamilton, Lucas, Mahoning, Montgomery, Stark, and Summit counties for (a) the capital or leasing costs associated with making up to 400 recovery housing beds available in those counties or (b) additional step-down regional crisis stabilization units that are funded in accordance with ODMHAS's allocation formula;

(3) To provide state funds to the other ADAMHS boards for the capital or leasing costs associated with making up to 480 recovery housing beds available in those counties;

(4) To pay 90% of the first two years of the operating expenses of recovery housing operated in a county for which ODMHAS pays 100% of the capital or leasing costs for the recovery housing;

(5) For ODMHAS to enter into, through a competitive bidding process, a three-year contract, costing not more than $500,000, with a nongovernmental organization under which the organization organizes a network of recovery housing in Ohio that has (a) an Internet-based database of recovery housing available in Ohio, (b) a resource hub for recovery housing providers that assists the providers' development and operation efforts and enables providers to connect with other recovery housing providers in Ohio and other states for the purpose of shared learning, (c) quality standards for recovery housing and a peer-review process that uses the standards to endorse individual recovery housing sites, and (d) a system that monitors data that can be used to determine outcomes for recovery housing.

ODMHAS is required, when providing state funds to ADAMHS boards under this provision of the bill, to prioritize funding for counties that have no recovery housing on the effective date of this provision.

The bill requires ODMHAS, when it uses part of the $24,850,000 to provide state funds to ADAMHS boards for the capital or leasing costs of recovery housing, to pay a certain amount of such costs and ADAMHS boards to pay the remaining amount. Except for the ADAMHS boards serving Cuyahoga, Franklin, Hamilton, Lucas, Mahoning, Montgomery, Stark, and Summit counties, ODMHAS is to pay 90% of such costs and the board is to pay the remaining 10% unless the board cannot afford to pay 10%, in which case ODMHAS is to pay 100%. The following applies to the ADAMHS boards serving Cuyahoga, Franklin, Hamilton, Lucas, Mahoning, Montgomery, Stark, and Summit counties:

(1) If recovery housing exists in the county on the effective date of this provision of the bill, ODMHAS and the ADAMHS board are both to pay 50% of the capital or leasing costs of additional recovery housing.

(2) If no recovery housing exists in the county on that date, ODMHAS is to pay 90% and the ADAMHS board is to pay the remaining 10% of the capital or leasing costs of recovery housing, except that if the board cannot afford to pay 10%, ODMHAS must pay 100%.

Each ADAMHS board that uses funds it receives under this provision of the bill for the capital costs of recovery housing must, to the greatest extent possible, give priority to developing new or additional recovery housing through a grant process under which one or more nonprofit entities use the grants for the capital costs of

developing new or additional recovery housing in the county or counties the board serves. A nonprofit entity that receives such a grant is required to do both of the following to the greatest extent possible:

(1) Develop the new or additional recovery housing by rehabilitating existing buildings, using materials from existing buildings that no longer need the materials, or both;

(2) In developing the new or additional recovery housing, use one or more of (a) volunteers, (b) apprentices working under a bona fide apprenticeship program that is registered with the Ohio Apprenticeship Council or with the U.S. Department of Labor, (c) individuals who have successfully completed training in the construction field that is offered by a career-technical center, joint vocational school district, comprehensive career-technical center, or compact career-technical center offering adult training, or (d) employees hired through a hiring hall contract or agreement.

Use of funds if variance is more than 10%

If the actual enrollment of newly eligible individuals under the Medicaid expansion *is* more than 10% less than the projected enrollment, ODMHAS is permitted to allocate all or part of the $24,850,000 to ADAMHS boards to continue programs the boards started in fiscal year 2014. Any of the $24,850,000 not so allocated must be used for the purposes for which the money is to be used if the actual enrollment is *not* more than 10% less than the projected enrollment as discussed above.

Substance Abuse Prevention and Treatment Block Grant

The bill requires that $5,078,200 of ODMHAS's fiscal year 2015 appropriation for community behavioral health be used to maintain the level of funding for the Substance Abuse Prevention and Treatment Block Grant.

Prevention-based resources

The bill requires that $5 million of ODMHAS's fiscal year 2015 appropriation for community behavioral health be used to expand prevention-based resources statewide.

Residential State Supplement Program

The bill requires that $3.75 million of ODMHAS's fiscal year 2015 appropriation for community behavioral health be used to expand the Residential State Supplement Program.

Specialized docket staff payroll costs

The bill requires the Director of Budget and Management to transfer $8,821,800 of ODMHAS's fiscal year 2015 appropriation for community behavioral health to a new appropriation item to be used by the Ohio Department of Rehabilitation and Correction (ODRC). The transfer is to be made on July 1, 2014, or as soon as possible thereafter. ODRC is to use the appropriation to defray a portion of the annual payroll costs associated with the employment of up to two separate and distinct full-time, or full-time equivalent, specialized docket staff members by a court of common pleas, municipal court, or county court, including a juvenile court or family court that has, or anticipates having, a family dependency treatment court. Specialized docket staff members employed under this provision of the bill are to be considered employees of the court. For a court to be eligible for the funds, both of the following must apply:

(1) The court must have received the Ohio Supreme Court's certification for a specialized docket that targets participants with a drug addiction or dependency.

(2) The specialized docket staff members must have received training for, or education in, alcohol and other drug addiction, abuse, and recovery and have demonstrated, before or within 90 days of being hired, competencies in fundamental alcohol and other drug addiction, abuse, and recovery, including an understanding of (a) alcohol and other drug treatment and recovery, (b) how to engage a person in treatment and recovery, and (c) other health care systems, social service systems, and the criminal justice system.

The amount that an eligible court may receive for specialized docket staff members is the lesser of (1) 65% of certain payroll costs or (2) $50,700. The payroll costs are the lesser of (1) the actual annual compensation and fringe benefits paid to those staff members proportionally reflecting their time allocated for specialized docket duties or (2) $78,000. A county auditor is required to certify, for any court that serves the same county and is applying for or receiving state funds for specialized docket staff members, information needed to determine the court's eligibility for, and the amount of, the state funds. The certification is to be made to ODRC and in accordance with rules, guidelines, or procedures adopted by ODRC. ODRC must disburse the state funds in quarterly installments to the appropriate counties and municipalities in which the eligible courts are located.

The bill requires ODRC to use up to 1% of the appropriation to pay the costs it incurs in administering its duties under this provision of the bill. ODRC is permitted to adopt rules, guidelines, and procedures as necessary to carry out those duties.

Mental health and drug addiction services for returning offenders

(Section 751.110)

The bill requires, with an exception, that funds ODMHAS makes available to certain ADAMHS boards be prioritized for temporary assistance to individuals who are released from confinement in a state correctional facility to live in the community on or after the effective date of this provision of the bill ("returning offenders"). Specifically, the ADAMHS boards serving Cuyahoga, Franklin, Hamilton, Montgomery, and Summit counties must prioritize the use of funds to temporarily assist returning offenders who have severe mental illnesses, severe substance use disorders, or both, and reside in the service districts those ADAMHS boards serve, in obtaining Medicaid-covered community mental health services, Medicaid-covered community drug addiction services, or both. The temporary assistance is to be provided to a returning offender regardless of whether the returning offender resided in a district that an ADAMHS board serves before being confined in a state correctional facility.

A returning offender's priority for the temporary assistance is to end on the earlier of (1) the date the offender is enrolled in Medicaid or, if applicable, the date that the suspension of the offender's Medicaid eligibility ends or (2) 60 days after the offender is released from confinement in a state correctional facility. The exception is that the temporary assistance for returning offenders is not to receive priority over (1) community addiction services provided to drug or alcohol addicted parents whose children are at imminent risk of abuse or neglect because of the addiction and community addiction services provided to children of such parents or (2) the program for pregnant women with drug addictions that continuing law requires ODMHAS to develop.

Other provisions

ODMHAS medical records

(R.C. 3701.74)

General records release law

The bill excludes ODMHAS medical records from the general provision requiring the production of medical records upon request, if the release of those records is covered by ODMHAS Law.

That general provision permits a patient, a patient's personal representative, or an authorized person (requestor) to examine or obtain a copy of part or all of a medical

record in the possession of a health care provider. To be proper, the request must meet all of the following criteria:

- Be submitted to the health care provider;
- Be a written request, signed by the requestor, and dated not more than one year before the date on which it is submitted;
- Include sufficient information to identify the record requested;
- Indicate whether the copy is to be sent to the requestor, physician or chiropractor, or held for the requestor at the office of the health care provider.

Within a reasonable time after receiving a proper request, the health care provider that has the patient's medical records must permit the patient to examine the record during regular business hours without charge or, on request, provide a copy of the record. But, if a physician or chiropractor who has treated the patient determines for clearly stated treatment reasons that disclosure of the requested record is likely to have an adverse effect on the patient, the health care provider must provide the record to a physician or chiropractor designated by the patient. The health care provider must take reasonable steps to establish the identity of the person making the request to examine or obtain a copy of the patient's record.

If a health care provider fails to furnish a medical record as required, the requestor may bring a civil action to enforce the patient's right of access to the record.

ODMHAS records release law

ODMHAS Law contains a provision that generally make records for mental health treatment confidential and a separate provision that makes records relating to drug treatment confidential.[38]

Generally, all records and reports identifying a person and pertaining to the person's mental health condition, assessment, provision of care or treatment, or payment for assessment, care, or treatment that are maintained in connection with any services certified by ODMHAS or specified providers licensed or operated by ODMHAS must be kept confidential and must not be disclosed. The ODMHAS Mental Health Records Release Law contains exceptions to the general confidentiality provisions. Those exceptions are as follows:

[38] R.C. 5119.27 and 5119.28, not in the bill

- If the person identified in the record, or the person's guardian or parent if the person is a minor, consents.

- When disclosure is permitted by other state and federal laws.

- Hospitals, boards of alcohol, drug addiction, and mental health services, licensed facilities, and community mental health services providers may release information to insurers or other third-party payers.

- Pursuant to a court order.

- A person may be granted access to their own medical records unless otherwise restricted.

- ODMHAS may exchange records with specified entities for limited purposes.

- A family member involved in the provision, planning, and monitoring of services to the person may receive certain information.

- The executor or an administrator of the estate of a deceased person.

- Information may be disclosed to the staff of the appropriate board or ODMHAS to determine the quality, effectiveness, and efficiency of care. Such information must not have any person's name on it.

- Records pertaining to a person's diagnosis, course of treatment, treatment needs, and prognosis must be disclosed to the appropriate prosecuting attorney or attorney retained for involuntary commitment proceedings.

The custodian of the records must attempt to get a person's consent prior to disclosure of certain records.

Similarly, records or information pertaining to the identity, diagnosis, or treatment of any person seeking or receiving services that are maintained in connection with the performance of any drug treatment program or services licensed by, or certified by, ODMHAS must be kept confidential. This confidentiality provision is subject to the following exceptions:

- If the person with respect to whom the record is maintained consents or is deemed to have consented;

- Disclosure of a person's record may be made without the person's consent to qualified personnel for specified purposes;

- Upon the request of a prosecuting attorney or the Director of ODMHAS if certain criteria are met.

Correction of agency name

(R.C. 2945.402)

The bill corrects a reference to ODMHAS.

- Revises existing law requiring the procurement of a $23 deer permit to hunt deer by establishing a nonresident deer permit, the fee for which is $99, and a resident deer permit, the fee for which remains $23.
- Retains existing law providing either half-price or free deer permits for Ohio residents who are at least 66 years old, and specifies that the fee for the existing youth deer permit remains one-half of the regular resident deer permit fee, regardless of residency.
- Specifies that a person on active military duty who is either stationed in Ohio or on leave or furlough is eligible for a $23 resident deer permit, regardless of residency.
- Increases the nonresident hunting license fee and the apprentice nonresident hunting license fee from $124 to $149.

Nonresident deer permits; hunting license fees

(R.C. 1533.10, 1533.11, and 1533.12)

The bill revises existing law requiring the procurement of a $23 deer permit to hunt deer by establishing a nonresident deer permit, the fee for which is $99, and a resident deer permit, the fee for which remains $23. It retains and slightly revises existing law under which an Ohio resident who is at least 66 years old, unless the person was born on or before December 31, 1937, may obtain a senior resident deer permit, the fee for which is one-half of the resident deer permit fee. The bill similarly retains existing law that allows an Ohio resident who was born on or before December 31, 1937, to be issued a free deer permit. Under the bill, a nonresident who is at least 66 years old must obtain the nonresident deer permit established by the bill. The bill also specifies that the fee for a youth deer permit is one-half of the regular resident deer permit, fee regardless of residency.

In addition, the bill revises existing law requiring a person on active duty in the U.S. Armed Forces who is either stationed in Ohio or on leave or furlough to obtain a deer permit by requiring such a person to obtain a resident deer permit and specifying that the person is eligible to obtain a resident deer permit regardless of whether the person is a resident of Ohio. It retains existing law under which such a person need not obtain a hunting license in order to obtain a deer permit.

Finally, the bill increases the fee for a nonresident hunting license and an apprentice nonresident hunting license from $124 to $149.

OPPORTUNITIES FOR OHIOANS WITH DISABILITIES AGENCY

- Includes the Opportunities for Ohioans with Disabilities Agency within the scope of the Office of Health Transformation Law.
- Creates a workforce integration task force within the Agency.
- Requires the task force to collect specified employment information regarding individuals who are deaf or blind in Ohio.
- Requires the task force to issue a report to the Governor by January 1, 2015, using data that it collected and containing findings and recommendations regarding how individuals who are deaf or blind in Ohio may be more fully integrated into the workforce.

Office of Health Transformation

(R.C. 191.01)

The bill includes the Opportunities for Ohioans with Disabilities Agency within the scope of the Office of Health Transformation Law.

Workforce integration task force

(Section 751.20)

The bill creates a workforce integration task force within the Agency. It requires the task force to collect data on all of the following regarding Ohioans who are deaf or blind: the average income levels for those individuals who are employed compared to those who are not, the number of those individuals, where they are geographically located, the number of those individuals who are employed and in what job categories, and whether barriers to employment exist for them.

The task force must issue a report to the Governor by January 1, 2015, using the data that it collected and any other necessary information and containing findings and recommendations regarding how Ohioans who are deaf or blind may be more fully integrated into the workforce to increase employability and income parity based on the data collected by the vendor. Upon issuance of the report, the task force sunsets.

The bill requires the Executive Director of the Agency and the Director of Job and Family Services, as co-chairs of the task force, to appoint the members of the task force.

- Removes the requirement that the Executive Director of the State Board of Pharmacy be an Ohio licensed pharmacist in good standing.
- Changes to April 1 (from January 1) the beginning date of the 12-month licensing period that applies to terminal distributors of dangerous drugs.
- Extends the expiration date of existing licenses to correspond with the new licensing period.
- Permits the Board to use a portion of the licensing fees of terminal distributors of dangerous drugs, pharmacists, pharmacy interns, and wholesale distributors of dangerous drugs to establish or maintain the Ohio Automated Rx Reporting System (OARRS).
- Requires, beginning April 1, 2015, that certain business entities currently exempt hold a terminal distributor license from the State Board of Pharmacy to possess and distribute dangerous drugs that are compounded or used for the purpose of compounding.

Executive Director licensure

(R.C. 4729.03)

The bill removes the requirement that the Executive Director of the State Board of Pharmacy be an Ohio licensed pharmacist in good standing. The executive director of a licensing board is the administrative head of the board, overseeing day-to-day operations and licensing. The Executive Director is not a voting member of the board.

Licensing period for terminal distributors of dangerous drugs

(R.C. 4729.54; Section 747.10)

The bill changes the beginning date of the 12-month licensing period that applies to terminal distributors of dangerous drugs to April 1. Under current law, the beginning date of the licensing period is January 1. The bill also changes the due date for an application for renewal of the license to March 31. Under current law, the due date is December 31. Similarly, the bill changes the date after which a $55 penalty fee must be paid in addition to the renewal fee for license reinstatement from February 1 to May 1.

To correspond with the new licensing period, the bill specifies that a license that is valid on the effective date of the bill will remain effective until April 1, 2015, unless earlier revoked or suspended.

Imposing charges for the establishment and maintenance of OARRS

(R.C. 4729.65 and 4729.83)

The bill permits the Board to use a portion of the licensing and registration fees of terminal distributors of dangerous drugs, pharmacists, pharmacy interns, and wholesale distributors of dangerous drugs to establish or maintain the Ohio Automated Rx Reporting System (OARRS). Under current law, the Board is prohibited from imposing a charge on terminal distributors of dangerous drugs, pharmacists, and prescribers for the establishment or maintenance of OARRS. The bill specifies, however, that the Board may not increase the licensing or registration fees solely for that purpose. Additionally, the bill retains current law that prohibits the Board from imposing an OARRS fee on prescribers.

Terminal distributor license requirement relating to compounded drugs

(R.C. 4729.54 and 4729.541)

Beginning April 1, 2015, certain business entities must hold a terminal distributor license to possess, have custody or control of, and distribute dangerous drugs that are compounded or used for the purpose of compounding. Under current law, business entities are exempt from holding a terminal distributor license if each shareholder, member, and partner is a licensed health professional authorized to prescribe drugs and authorized to provide the professional services offered by the entity. These business entities include corporations, limited liability companies, partnerships, limited liability partnerships, and professional associations.[39] The bill requires these previously exempt entities to obtain a terminal distributor license from the State Board of Pharmacy to possess, have custody or control of, and distribute dangerous drugs that are compounded or used for the purpose of compounding.

[39] R.C. 4729.51(B)(1)(j) and (k), not in the bill.

- Clarifies the purposes for which moneys in county indigent drivers alcohol treatment funds, county juvenile indigent drivers alcohol treatment funds, and municipal indigent drivers alcohol treatment funds may be used, and authorizes surplus moneys in the funds to be used for additional purposes.

- Authorizes surplus moneys in county indigent drivers interlock and alcohol monitoring funds, county juvenile indigent drivers interlock and alcohol monitoring funds, and municipal indigent drivers interlock and alcohol monitoring funds to be used for additional purposes.

- Creates the Infrastructure Protection Fund in the state treasury and specifies that the following fees are to be deposited into the Fund instead of the Security, Investigations, and Policing Fund: (1) scrap metal and bulk merchandise container dealer registration fees and (2) impoundment fees relating to a vehicle used in the theft or illegal transportation of metal.

Local indigent drivers alcohol treatment, interlock, and monitoring funds

(R.C. 4511.191)

Indigent drivers alcohol treatment funds

The bill modifies the purposes for which moneys in a county indigent drivers alcohol treatment fund, a county juvenile indigent drivers alcohol treatment fund, or a municipal indigent drivers alcohol treatment fund may be used. Under current law, a county, juvenile, or municipal court judge may make expenditures from those funds for the payment of the cost of an assessment or the cost of attendance at an alcohol and drug addiction treatment program for a person who meets all of the following requirements: (1) the person is convicted of, or found to be a juvenile traffic offender by reason of, a violation of the law that prohibits any person from operating a vehicle while under the influence of alcohol, drugs, or both, (2) the person is ordered by the court to attend an alcohol and drug addiction treatment program, and (3) the person is determined by the court, in accordance with indigent client eligibility guidelines and the standards of indigency established by the public defender, to be unable to pay the cost of the assessment or treatment program. Under the bill, a judge may make expenditures from those funds for any of the following purposes with regard to an indigent person:

- To pay the cost of an assessment conducted by an appropriately licensed clinician at either a driver intervention program or a community addiction services provider;

- To pay the cost of alcohol addiction services, drug addiction services, or integrated alcohol and drug addiction services at a community addiction services provider; or

- To pay the cost of transportation to attend an assessment or services as provided above.

The bill defines "indigent person" as a person who meets all of the requirements set out in current law above.

The bill also expands the permissible uses of moneys from such funds in the event a surplus is declared. Under current law unchanged by the bill, if a county, juvenile, or municipal court determines, in consultation with the alcohol and drug addiction services board or the board of alcohol, drug addiction, and mental health services that serves the alcohol, drug addiction, and mental health district in which the court is located, that the moneys in the fund are more than sufficient to satisfy the purpose of the fund, the court may declare a surplus. Once a surplus is declared, the court may use any of the surplus amount for either alcohol and drug abuse assessment and treatment of persons who are charged with committing a criminal offense or with being a delinquent child or juvenile traffic offender under specified circumstances; or to pay all or part of the cost of purchasing alcohol monitoring devices upon exhaustion of moneys in the indigent drivers interlock and alcohol monitoring fund.

The bill expands the permissible uses of the surplus moneys to include: (1) paying the cost of transportation related to drug abuse assessment and treatment of persons who are charged with committing a criminal offense or with being a delinquent child or juvenile traffic offender under specified circumstances, (2) transferring the funds to another court in the same county to be used in accordance with any authorized use of indigent drivers alcohol treatment funds, or (3) transferring the funds to the alcohol and drug addiction services board or the board of alcohol, drug addiction, and mental health services that serves the alcohol, drug addiction, and mental health service district in which the court is located to be used in accordance with any authorized use of indigent drivers alcohol treatment funds.

Indigent drivers interlock and alcohol monitoring funds

The bill authorizes a county, juvenile, or municipal court to declare a surplus in a county indigent drivers interlock and alcohol monitoring fund, a county juvenile indigent drivers interlock and alcohol monitoring fund, or a municipal indigent drivers

interlock and alcohol monitoring fund under the control of the court. A surplus may be declared if the moneys in the fund are more than sufficient to satisfy the purpose for which the fund was established. If the court declares a surplus, the court then may order a transfer of a specified amount of money into the county indigent drivers alcohol treatment fund, the county juvenile indigent drivers alcohol treatment fund, or the municipal indigent drivers alcohol treatment fund.

Under current law, unchanged by the bill, the moneys in those indigent drivers interlock and alcohol monitoring funds generally must be used only to pay the cost of an immobilizing or disabling device or an alcohol monitoring device that will be used by an offender or juvenile offender who is ordered by the court to use such a device and is determined not to have the means to pay for the device.

Infrastructure Protection Fund

(R.C. 4737.045)

The bill creates the Infrastructure Protection Fund in the state treasury and requires all (1) scrap metal and bulk merchandise container dealer registration fees and (2) impoundment fees relating to a vehicle used in the theft or illegal transportation of metal, special purchase articles, or bulk merchandise containers to be deposited into the Fund. Current law requires these fees to be deposited into the Security, Investigations, and Policing Fund.

PUBLIC UTILITIES COMMISSION

Baseline for alternative energy benchmarks

- Permits electric distribution utilities (EDUs) and electric services companies (ESCs) that are required to comply with the state's alternative energy benchmarks to use a baseline of the prior calendar year's sales to measure compliance, rather than the most recent three-year average of sales.

- Requires notification of the choice to use the bill's prior-year baseline to the PUCO by October 1 of the compliance year for which the baseline will apply.

- Requires EDUs and ESCs that switch back to the three-year baseline to use that baseline for at least three consecutive compliance years before again using the prior-year baseline.

- Permits the PUCO to adjust the prior-year baseline to adjust for new economic growth in the EDU's or ESC's territory or service area.

Other provisions

- Specifies that certain persons exempt from the motor carrier law shall not be construed to be relieved from complying with the existing law and rules governing the uniform registration and permitting for transportation of hazardous materials and the duty to pay related fees.

- Permits the PUCO, at its discretion and in accordance with federal law, to waive compliance with the federal gas pipeline design requirement regulations that apply to operators of certain pipelines that transport gas produced by horizontal wells.

Baseline for alternative energy benchmarks

(R.C. 4928.64, 4928.641, and 4928.642)

The bill gives electric distribution utilities (EDUs) and electric services companies (ESCs), which are required to comply with the state's alternative energy benchmarks, the option of using an alternative sales baseline to measure compliance. The only baseline permitted under existing law is the most recent three-year average of total kilowatt hours sold to the EDU's or ESC's Ohio retail electric customers, as applicable. But the bill allows the utilities and companies to use a baseline of sales from the

preceding calendar year. The bill's alternative baseline may be chosen beginning with compliance year 2017.

Requirements for choosing the prior-year baseline

The bill requires an EDU or ESC to inform the PUCO of the alternative-baseline choice by October 1 of the compliance year for which the alternative baseline is to apply. Except, this notification is not required if the alternative baseline was used in the preceding compliance year. So, notice is required for the first time that the EDU or ESC chooses the alternative baseline, and also if the EDU or ESC chooses the alternative baseline, goes back to the three-year baseline, and then wishes to use the alternative baseline again.

Switching back to the three-year baseline

The bill permits an EDU or ESC to switch back to the three-year baseline (after using the alternative baseline) for any subsequent compliance year. But the EDU or ESC must inform the PUCO of the choice by October 1st of the compliance year for which the three-year baseline is to apply. Once the EDU or ESC has switched back to the three-year baseline, the bill requires it to continue to use the three-year baseline for at least three consecutive compliance years. After those three years, the EDU or ESC may again choose the alternative baseline, after informing the PUCO (as described above).

Baseline reductions

The bill permits the PUCO to reduce the bill's prior-year baseline to adjust for new economic growth in the EDU's certified territory or in the ESC's service area. This is already permitted under current law for the three-year baseline.

Background on the alternative energy benchmarks

The alternative energy benchmarks require EDUs and ESCs to provide portions of their electricity supplies from alternative energy resources. The portion is a specified percentage of the total number of kilowatt hours of electricity sold by the EDU or ESC to Ohio retail electric consumers. Half may be generated by advanced energy resources, and at least half must be generated by renewable energy resources. For renewable energy resources, the percentage increases each year to 12.5% in 2024.

Under continuing law, an EDU is an electric utility that supplies at least retail electric distribution service, and an ESC is an electric light company that is engaged on a for-profit or not-for-profit basis in the business of supplying or arranging for the supply of only a competitive retail electric service in Ohio. An ESC includes a power marketer, power broker, aggregator, or independent power producer but excludes an

electric cooperative, municipal electric utility, governmental aggregator, and billing and collection agent.

Limitation on motor carrier law compliance exemptions

(R.C. 4923.02)

The bill provides that existing law exempting certain persons from the motor carrier law is not to be construed as relieving those persons from complying with (1) PUCO rules applicable to the uniform registration and permitting of persons engaged in the highway transportation of hazardous materials into, through, or within Ohio, (2) other provisions of Ohio law governing uniform registration and permitting, such as, for example the prohibition against falsifying or failing to submit data reports, records, and other information required regarding uniform registration and permitting, or (3) the duty to pay any fees related to uniform registration and permitting.

Transporting horizontal well gas: federal pipeline requirements waiver

(R.C. 4905.911)

The bill permits the PUCO, at its discretion and in accordance with federal law, to waive compliance with federal gas pipeline design requirement regulations applicable to operators of either of the following pipeline types that transport gas produced by horizontal wells and were completely constructed on or after September 10, 2012: gas gathering pipelines and processing plant gas stub pipelines.

Background

Definitions

Continuing law defines "gas gathering pipeline," "processing plant gas stub pipeline," and "horizontal well" as follows:

- "Gas gathering pipeline" means a gathering line that is not regulated under the federal Natural Gas Pipeline Safety Act and the corresponding rules, and includes a pipeline used to collect and transport raw natural gas or transmission quality gas to the inlet of a gas processing plant, the inlet of a distribution system, or to a transmission line.

- "Processing plant gas stub pipeline" means a gas pipeline that transports transmission quality gas from the tailgate of a gas processing plant to the inlet of an interstate or intrastate transmission line and that is considered an extension of the gas processing plant, is not for public use, and is not

regulated under the federal Natural Gas Pipeline Safety Act and the corresponding rules.

- "Horizontal well" means a well that is drilled for the production of oil or gas in which the wellbore reaches a horizontal or near horizontal position in the Point Pleasant, Utica, or Marcellus formation and the well is stimulated (a well is stimulated if a process, that may include hydraulic fracturing operations ["fracking"], is used to enhance well productivity.[40]

Federal gas pipeline waiver authority

Federal law permits states to waive compliance with certain pipeline safety standards for intrastate pipelines to the same extent as the U.S. Secretary of Transportation may make such a waiver, but only if the state has a pipeline safety certification from, or a pipeline safety agreement with, the Secretary governing those standards. Any such waiver, if exercised, is subject to possible rejection by the Secretary. Generally, the federal pipeline safety regulations (1) require pipe to be designed with sufficient wall thickness, or installed with adequate protection, to withstand anticipated external pressures and loads that will be imposed on the pipe after installation, and (2) provide mathematical formulas for the design of steel, plastic, and copper pipe.[41]

[40] R.C. 1509.01(Z) and (GG) and 4905.90(D) and (M).

[41] 49 C.F.R. Part 192, Subpart C.

- Requires that any repayment of a Clean Ohio Conservation grant be deposited into the Clean Ohio Conservation Fund for return to the natural resource assistance council that approved the original grant application.
- Requires that grant repayments be used for the same purpose as the grant was originally approved for.
- Requires the Ohio Public Works Commission to establish policies that provide for "proper liquidated damages and grant repayment" rather than "proper penalties, including grant repayment," for entities that fail to comply with long-term ownership or control requirements.

Clean Ohio Conservation grants

(R.C. 164.26 and 164.261)

The bill requires that any repayment of a Clean Ohio Conservation grant must be deposited into the Clean Ohio Conservation Fund for return to the natural resource assistance council that approved the original grant application. The bill also requires that the repayment be used for the same purpose as the grant was originally approved for. Under continuing law, grants may be required to be repaid when entities fail to comply with long-term ownership or control requirements, established by the Ohio Public Works Commission, for real property that is the subject of a grant application.

The bill also changes language regarding policies that the Commission is required to establish. Under current law, the policies are required to provide for "proper penalties, including grant repayment" for the entities that fail to comply with the long-term ownership or control requirements. The bill changes this to "proper liquidated damages and grant repayment."

Under continuing law, Clean Ohio Conservation grants may be awarded for a variety of purposes, including wetland preservation, the protection of habitats for endangered species, and the protection and enhancement of streams, rivers, and lakes.[42]

[42] R.C. 164.22, not in the bill.

RETIREMENT

STRS alternative retirement program mitigating rate

- Provides that the percentage of an alternative retirement program (ARP) participant's compensation paid by a public institution of higher education to the State Teachers Retirement System (STRS) to mitigate any financial impact of an ARP on STRS cannot exceed 4.5% of the participant's compensation, and that the limit is effective until July 1, 2015.

- Requires the Ohio Retirement Study Council to study and recommend changes to the ARP mitigating rate and, by December 31, 2014, report its findings and recommendations to the Governor, Senate President, and House Speaker.

Deferred compensation programs

- Authorizes a board of education or state institution of higher education that maintains a deferred compensation program for its employees and makes payments to a custodial account for investment in stocks to invest in any stock that is treated as an annuity under Internal Revenue Code provisions dealing with such programs, rather than purchasing stocks only from persons authorized to sell the stock in Ohio.

- Allows a supplemental annuity contract or custodial account offered to an employee by a public institution of higher education to be offered through either (1) the institution's choice of providers or (2) a provider designated by the employee, rather than only through an employee-designated provider.

- Allows a public institution of higher education to impose any terms and conditions the institution chooses on the provider of an annuity contract or custodial account and to prohibit transfer of funds to a third party without the institution's consent.

STRS alternative retirement program mitigating rate

(Section 752.10)

The bill temporarily limits the percentage of an alternative retirement program (ARP) participant's compensation paid by a public institution of higher education to the State Teachers Retirement System (STRS) to mitigate any financial impact of an ARP on STRS.

Current law permits a full-time employee of a public institution of higher education to elect to participate in an ARP rather than the public retirement system (Public Employees Retirement System (PERS), State Teachers Retirement System (STRS), or School Employees Retirement System (SERS)) that covers the employee. Each ARP must be a defined contribution plan that provides retirement and death benefits through a number of investment options.

Current law requires a public institution of higher education to contribute a percentage of the compensation of an employee electing to participate in an ARP to the public retirement system that would otherwise cover the employee. The purpose of this contribution, referred to as the "mitigating rate," is to offset any negative financial impact of the ARP on the public retirement system.

Current law specifies that the ARP mitigating rate is 6%, but may be adjusted by the Ohio Retirement Study Council (ORSC) to reflect determinations made in an actuarial study that must be completed by ORSC every three years. The STRS mitigating rate for ARPs is currently 4.5%. Current law also specifies that the mitigating rate for ARPs cannot exceed the mitigating rate for the applicable retirement system's defined contribution plan. The mitigating rate for the STRS defined contribution plan is 4.5%.

The bill provides that the STRS mitigating rate for ARPs cannot exceed 4.5% and that the limit on the rate is effective until July 1, 2015.

ORSC study of ARP mitigating rate

(Section 752.20)

The bill requires ORSC to study the applicability, operation, and efficacy of the ARP mitigating rate and make recommendations on any changes in determining the appropriate rate. The study must research the historical impact of the mitigating rate and whether its purpose is being served. Not later than December 31, 2014, ORSC must prepare and submit to the Governor, Senate President, and House Speaker a report of its findings and recommendations.

Deferred compensation programs

(R.C. 9.90 and 9.91)

Current law permits a state institution of higher education, school district board of education, or educational service center governing board to make payments to a

custodial account for investment in regulated investment company[43] stock to provide retirement benefits. These benefits are in addition to benefits from a state retirement system. The bill permits purchase of any stock that is treated as an annuity under section 403(b) of the Internal Revenue Code, which regulates deferred compensation programs for employees of organizations that are exempt from federal income taxes. Under current law, the stock may be purchased only from persons who are authorized to sell the stock in Ohio.

With regard only to deferred compensation programs of public institution of higher education, the bill permits the institution to choose providers of an annuity or custodial account as an alternative to permitting employees to choose providers. Current law gives the employee the right to designate the provider through which the institution arranges for the placement or purchase of a tax-sheltered annuity. Under the bill the institution, in its sole and absolute discretion, is to arrange for procurement of the annuity contract or custodial account by doing one of the following:

(1) Selecting a minimum of four providers of annuity contracts or custodial accounts through a selection process determined by the institution in its sole and absolute discretion, except that if fewer than four providers are available, the institution is to select the number of providers available;

(2) Allowing each eligible employee to designate a licensed agent, broker, or company as a provider.

If the institution selects a provider, the bill permits the institution to enter into an agreement with the provider that does either or both of the following:

(1) Prohibits the provider from transferring funds to a third party without the express consent of the institution or its authorized representative;

(2) Includes such other terms and conditions as are established by the institution in its sole discretion.

An institution is not required to select a provider if the provider is not willing to provide an annuity contract or custodial account at that institution or agree to the terms and conditions of the agreement.

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[43] "Regulated investment company" is not defined for purposes of this provision. However, it is defined elsewhere as a mutual fund, real estate investment trust, or unit investment trust that meets conditions of the Internal Revenue Code that permit it to pass the taxes on capital gains, dividends, or interest on fund investments directly to investors, www.investopedia.com/terms/r/ric.asp.

If an institution permits an employee to designate a provider, the bill requires the institution to comply with the designation but permits it to require either or both of the following:

(1) That the provider enter into an agreement with the institution that does either or both of the following:

(a) Prohibits the provider from transferring funds to a third party without the express consent of the institution or its authorized representative;

(b) Includes such other terms and conditions as are established by the institution in its sole discretion. (Currently the institution may require the designee to execute a reasonable agreement protecting the institution from liability attendant to procuring the annuity.)

(2) Similar to current law with respect to designating a tax-sheltered annuity provider, that the provider be designated by a number of employees equal to the greater of at least 1% of the institution's eligible employees or at least five employees, except that the institution may not require that the provider be designated by more than 50 employees.

The bill specifies that designation as a provider of a tax-sheltered annuity prior to this provision's effective date does not give a licensed agent, broker, or company a right to be selected under the bill as a provider of an annuity contract or custodial account at a public institution of higher education. However, that agent, broker, or company remains a provider until another provider is selected under the bill.

- Voids rule 111-3-05 of the Ohio Administrative Code, which regulates corporate and labor organization political communications that advocate the election or defeat of an identified candidate.

Voiding of rule 111-3-05 of the Ohio Administrative Code

(Section 735.10)

The bill specifies that rule 111-3-05 of the Ohio Administrative Code is void. That rule provides generally that notwithstanding the provisions of R.C. 3599.03, a corporation, a nonprofit corporation, or a labor organization may use its funds or property to advocate the election or defeat of an identified candidate or candidates, provided that the use of funds or property is not made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of any candidate or candidates, the campaign committee or agent of the candidate or candidates, or any legislative campaign fund or political party or agent of a legislative campaign fund or political party.

The rule requires a corporation, nonprofit corporation, or labor organization that uses its funds or property to advocate the election or defeat of a candidate to do all of the following:

- Report that use of funds or property, on a form prescribed by the Secretary of State, to the Secretary of State or, if the candidate involved is a candidate for a county office, to the board of elections of that county;

- Clearly indicate that any communication or public political advertising financed by the corporation or organization is not authorized by the candidate;

- Clearly identify the corporation or organization as the source of funding in any communication or public political advertising it funds;

- Include in a conspicuous place, in any political publication or communication the corporation or organization finances, the name and residence or business address of the chairperson, chief executive officer, treasurer, or secretary of the corporation or organization and the Internet address of the corporation or organization's website, if any;

- Identify, in any radio or television broadcast the corporation or organization funds, the name and residence address of the speaker or the name and residence or business address of the chairperson, chief executive officer, treasurer, or secretary of the corporation or organization, except that radio broadcasts need not include the residence or business address of the officer;

- Identify, in any call made from a telephone bank conducted by the corporation or organization, the name of the corporation or organization and the name of the chairperson, chief executive officer, treasurer, or secretary of the corporation or organization paying for the telephone bank.

The rule also specifies two types of corporations that may not use their funds or property to advocate the election or defeat of an identified candidate or candidates. First, no corporation or nonprofit corporation that is owned 20% or more by persons or entities whose domicile or citizenship is outside the United States may use its funds or property in that manner. And, a corporation or nonprofit corporation that receives state funds or federal funds issued by the state is ineligible to use its funds or property in that manner for a period of one year following the award of the state or federal funds.

DEPARTMENT OF TAXATION

- Requires the Superintendent of Real Estate and Professional Licensing to adopt administrative rules governing the qualifications of mass appraisal project managers.

- Temporarily authorizes owners of an historic rehabilitation tax credit certificate to claim a credit against the commercial activity tax (CAT) if the owner cannot claim the credit against another tax.

- Authorizes limited pass-through treatment of the CAT historic rehabilitation tax credit for corporate owners of a pass-through entity eligible to claim the credit.

- Allows a county with a population of between 375,000 and 400,000 to use revenue from an existing lodging tax to finance the improvement of a stadium located in the county, in cooperation with other parties.

- Authorizes Allen County to levy a tax on hotel lodging transactions of up to 3% for the purpose of expanding, maintaining, or operating a soldier's memorial.

- Increases, from $20 million to $26.5 million, the annual limit on tax credits for losses from loans made under the state's venture capital program and the annual limit on payments to lenders.

- Permits the Development Services Agency to issue one historic building rehabilitation tax credit certificate per fiscal biennium to the owner of a "catalytic project."

- Provides that the certificate may equal up to $25 million, instead of the current cap of $5 million, but limits the owner of the catalytic project to claiming only $5 million of the total certificate amount per year.

- Authorizes political subdivisions to use revenue collected from tax increment financing (TIF) to fund the provision of gas or electric services by or through privately owned facilities if doing so is necessary for economic development.

- Reduces the number of years a fraternal organization must have been operating in Ohio to be eligible for a property tax exemption for property used primarily for meetings and administration.

Rules governing approval of mass appraisal project managers

(R.C. 5713.012)

Under continuing law, a county auditor must contract with at least one "qualified project manager" to plan and manage each reappraisal, triennial update, or other county-wide property valuation initiated by the auditor's office after September 10, 2014. To qualify as a project manager, a person must attend a 30-hour course approved by the Superintendent of Real Estate and Professional Licensing and pass the final exam given at the end of the course. The person must also complete at least seven hours of continuing education courses in mass appraisal every two years, beginning with the two-year period after the year in which the person completes the 30-hour course.

The bill requires the Superintendent to adopt certain administrative rules governing the qualifications of project managers. The rules must specify:

(1) Standards to be used by the Superintendent in approving each 30-hour and continuing education course;

(2) Standards for determining when a person has successfully completed a continuing education course or an exam required at the end of a 30-hour course;

(3) The manner in which a person may apply to offer a 30-hour or continuing education course;

(4) The method and deadlines for transmitting information about qualified project managers to the Tax Commissioner. (The Commissioner must approve each contract between an auditor and qualified project manager.)

Temporary historic rehabilitation CAT credit

(Section 757.20)

The bill temporarily authorizes the owner of an historic rehabilitation tax credit certificate to claim that credit against the commercial activity tax (CAT) if the owner receives the certificate after 2013 but before July 2015 and is not able to claim the credit against another tax ("qualifying certificate owner").

Continuing law establishes the historic building rehabilitation tax credit, which is a refundable credit equal to 25% of the qualified expenditures made for rehabilitating a building of historical significance in accordance with preservation criteria as determined by the State Historic Preservation Officer. A person seeking the credit is required to apply to the Director of Development Services, who evaluates the application and may approve a credit by issuing a tax credit certificate. Continuing law

authorizes the certificate holder to claim the credit against the personal income tax, financial institutions tax, or foreign or domestic insurance company premiums tax.

A qualifying certificate owner may claim the credit against the CAT for the calendar year specified in the certificate, but only for CAT tax periods ending before July 1, 2015. The amount of the CAT credit equals the lesser of 25% of the owner's rehabilitation costs listed on the certificate or $5 million. Although the credit is refundable, if an amount would be refunded to the owner in a calendar year, the owner may not claim more than $3 million of the credit for that year. However, the owner may carry forward any unused credit for up to the five following calendar years. The bill requires the certificate owner to retain the tax credit certificate for four years after the last year the owner claims the CAT credit for possible inspection by the Tax Commissioner.

The bill authorizes corporate owners of a qualifying certificate owner that is a pass-through entity that are not themselves pass-through entities to claim the credit against the owners' CAT according to mutually agreed-upon proportions if the owners are either of the following:

- Expressly authorized to claim the credit in that proportion on the tax credit certificate.

- Part of the same consolidated elected or combined taxpayer as the pass-through entity. (Continuing law allows a group of commonly owned or controlled persons to elect to file and pay the CAT on a consolidated basis as "consolidated elected taxpayers" in exchange for excluding otherwise taxable gross receipts from transactions with other members of the group. Commonly owned or controlled persons that do not make that election are treated, together with their common owners, as "combined taxpayers." A combined taxpayer reports and pays CAT as a single taxpayer, but members of a combined taxpayer may not exclude receipts arising from transactions between members.)

Additionally, the bill authorizes a qualifying certificate owner that is not a CAT taxpayer to file a CAT return for the purpose of claiming the historic rehabilitation tax credit. This enables a business with less than $150,000 in taxable gross receipts that is not a sole proprietor or a pass-through entity composed solely of individual owners, or a nonprofit organization, to claim a tax "credit" as if the business or organization were a CAT taxpayer.

Lodging tax

For stadium improvements

(R.C. 133.07, 307.678, and 5739.09(A)(1) and (J))

The bill authorizes a county with a population of between 375,000 and 400,000 to use revenue from an existing lodging tax to finance the improvement of a stadium located in the county. Currently, the only county that meets the bill's population requirements is Stark County.

Under continuing law, counties, townships, municipal corporations, and certain convention facilities authorities may levy lodging taxes. In general, the maximum lodging tax rate permitted in any location is 6%. Municipalities and townships may levy a lodging tax of up to 3%, plus an additional 3% if they are not located, wholly or partly, in a county that already levies a lodging tax. Counties may levy a lodging tax of up to 3%, but only in municipalities or townships that have not already enacted an additional 3% levy.[44]

Unless specifically authorized otherwise, a county that levies a lodging tax must return up to one-third of its net lodging tax revenue to the municipalities and townships within the county that do not levy a lodging tax. The remaining revenue must be used to support a convention and visitors' bureau. In general, the bureau must use the revenue for tourism sales, marketing, and promotion.

Stark County currently levies a 3% lodging tax, with 1% returned to municipalities and townships and 2% distributed to the Stark County Convention and Visitors' Bureau (after deduction for administrative expenses).[45]

Under the bill, the county may enter into an agreement with its convention and visitors' bureau under which both parties agree to use revenue from the county's existing lodging tax to fund the improvement of a stadium. The agreement must be entered into before January 1, 2016. Additional parties to the agreement may include: the municipal corporation and school district within which the stadium is located, a port authority, and a nonprofit corporation that has authority under its organization documents to acquire, construct, renovate, or otherwise improve a stadium.

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[44] On occasion, the General Assembly has authorized certain counties to levy additional lodging taxes for special purposes. Stark County has not received such an authorization.

[45] *See* www.starkcountyohio.gov/auditor/resources/lodging-tax.

The agreement must delineate the responsibilities of each party with respect to the management of the project and the financing of the project costs. Among such costs are the costs of acquiring, constructing, renovating, or otherwise improving the stadium, including the costs of architectural, engineering, and other professional services; the financing of bonds issued to fund the project; the reimbursement of money advanced for the project by parties to the agreement; inspections and testing costs; administrative and insurance costs; and costs related to advocating the enactment of legislation to facilitate the development and financing of the project.

The project agreement must also include a provision under which the parties agree to the transfer of ownership of, property interests in, or rights to use the stadium to either a party to the agreement or another person. Such a transfer may be completed without bidding requirements.

For soldiers' memorial

(R.C. 5739.09(K))

The bill authorizes the county commissioners of a county with a population between 103,000 and 107,000 – currently only Allen County – to levy a tax on hotel lodging transactions of up to 3% for the purpose of expanding, maintaining, or operating a memorial to commemorate the service of members and veterans of the U.S. Armed Forces ("soldiers' memorial"). To levy the tax, the board must adopt a resolution within six months following the bill's effective date. The bill empowers the board to adopt rules necessary for the administration of the tax.

Continuing law authorizes a county to issue bonds or, with voter approval, to levy a property tax to fund the construction, operation, and maintenance of a soldiers' memorial, which may include one or more buildings. A soldiers' memorial is maintained and operated by a board of trustees appointed by county commissioners.

Venture capital loan loss tax credit

(R.C. 150.05 and 150.07)

The bill increases the annual limit on tax credits that may be claimed for losses on loans that some taxpayers make under the state's venture capital investment program. The bill also increases the annual limit on the amount that may be paid back to taxpayer-lenders in the form of principal and interest. Each limit is increased from $20 million to $26.5 million. The bill does not change the overall, all-year tax credit limit of $380 million.

The existing venture capital loan loss tax credit program permits financial institutions, insurance companies, dealers in intangibles, natural gas companies, and other companies and individuals to lend money to the program for investment by the program administrator(s) in venture capital funds and to have some or all of any losses they incur on the invested money to be compensated by a refundable tax credit against the applicable state tax. (Certain trust companies may claim the credit even if they are not subject to one of the state taxes.) The program is governed by the Ohio Venture Capital Authority, which prescribes the program's investment policies (subject to statutory restrictions), selects not more than two private investment funds to administer the program (currently only one investment fund has been selected to administer), and issues tax credits.

Historic building rehabilitation tax credit for "catalytic" projects

(R.C. 149.311; Section 757.40)

Current law

Continuing law establishes the historic building rehabilitation tax credit, which equals 25% of the qualified expenditures a taxpayer makes for rehabilitating a building of historical significance in accordance with certain preservation criteria. A person seeking the credit is required to apply to the Director of the Development Services Agency, who evaluates the application and may approve a credit by issuing a tax credit certificate. Currently, the maximum certificate amount issued for a rehabilitation project is $5 million. The total amount of certificates issued per year may not exceed $60 million.

Credit for catalytic projects

The bill permits the Director to issue a tax credit certificate of up to $25 million to a person whose rehabilitation of an historic building qualifies as a "catalytic project." To qualify as such, the rehabilitation of the historic building must foster economic development within 2,500 feet of the building. The project must also meet all of the existing requirements for the historic building rehabilitation tax credit.

Before issuing a certificate for a catalytic project, the Director must determine whether the rehabilitation qualifies as a catalytic project and, if so, consider the number of jobs the catalytic project will create, the number of individuals who will reside in the catalytic project once it is completed, and the effect that issuance of the certificate would have on the availability of credits for other applicants within the annual $60 million certificate cap.

Limit on number of credits issued per biennium

Like the existing rehabilitation tax credit certificate, the approval of a certificate for a catalytic project is at the discretion of the Director. However, the Director may issue only one certificate for a catalytic project per fiscal biennium. In addition, for the biennium that includes FY 2014 and 2015, the Director may issue the certificate only to the owner of a catalytic project whose application is pending on the bill's effective date and whose rehabilitation expenditures exceed $75 million.

Credit amount limit

Under the bill, a person issued a certificate for a catalytic project would be required to claim the refundable credit in increments of $5 million per year. (For example, if a person is issued a catalytic project certificate for $25 million, the person would claim a refundable credit of $5 million for five years.) The issuance of a catalytic project certificate is subject to the total annual $60 million certificate cap.

Authorized uses of TIF revenue

(R.C. 5709.40)

The bill expressly authorizes municipal corporations to use revenue collected from tax increment financing (TIF) to fund the provision of gas or electric services by or through privately owned facilities if doing so is necessary for economic development.

Under continuing law, a political subdivision may wholly or partially exempt from property taxation any increase in value of property where economic development is desired. The subdivision may then collect payments from the owner of the property equal to the amount of real property taxes the local government would have received from the increased value. Continuing law authorizes subdivisions to use the proceeds from the payments primarily to fund public infrastructure improvements as specified in the ordinance approving the TIF, including "the provision of" gas or electric facilities.

Property tax exemption for fraternal organizations

(R.C. 5709.17; Section 757.50)

The bill reduces the number of years a fraternal organization that provides financial support for charitable purposes must have been operating in Ohio to be eligible for a property tax exemption for property used primarily for meetings of that organization. To qualify for the exemption under current law, the fraternal organization must have been operating in Ohio with a state governing body for at least 100 years. The bill reduces the number of years of Ohio operation a fraternal organization must

have to qualify for the exemption to 85 years. The new threshold begins to apply for tax year 2014.

Under continuing law, to qualify for the exemption, the fraternal organization must also qualify for exemption from federal income tax under section 501(c)(5), 501(c)(8), or 501(c)(10) of the Internal Revenue Code. Such federal exemptions apply to labor, agricultural, or horticultural organizations; fraternal beneficiary societies, orders, or associations operating under the lodge system for the exclusive benefit of the members of a fraternity itself or operating under the lodge system and providing for the payment of life, sick, accident, or other benefits to the members of the society, order, or association or their dependents; and domestic fraternal societies, orders, or associations operating under the lodge system, the net earnings of which are devoted exclusively to religious, charitable, scientific, literary, educational, and fraternal purposes.

The exempted property must be used primarily for the meetings and administration of the fraternal organization. Property is disqualified for the exemption for a tax year if it is held to produce net rental income in excess of $36,000 in the tax year.

- Authorizes the Director of Transportation to allow associations of local governments to participate in Department of Transportation contracts for the purchase of machinery, materials, supplies, or other articles, and exempts those purchases from competitive bidding.

Local government participation in Department contracts

(R.C. 5513.01)

The bill allows the Director of Transportation to permit regional planning commissions, regional councils of government, or other specified associations of local governments to participate in a contract that the Director has entered into for the purchase of machinery, materials, supplies, or other articles. Any such purchase made by those local government entities is exempt from any competitive bidding requirements otherwise required by law. Additionally, the bill makes technical changes to the statute governing contracts entered into by the Director for the purchase of machinery, materials, supplies, and other articles.

Under current law, the Director may permit the Ohio Turnpike and Infrastructure Commission, any political subdivision, and any state university or college to participate in such contracts. Purchases made by those entities also are exempt from competitive bidding requirements. For purposes of this statute, "political subdivision" means any county, township, municipal corporation, conservancy district, township park district, park district, port authority, regional transit authority, regional airport authority, regional water and sewer district, county transit board, or school district.

- Permits state obligations issued to fund public or private transportation projects to have a maximum maturity date of 45 years *if* the debt service on the obligations is to be paid by a private entity.
- Permits the costs associated with the issuance of the obligations, such as services provided by attorneys, financial advisors, and other agents, to be paid from sources other than state infrastructure bank funds, if so provided in the bond proceedings.
- Specifies that, if the obligations are additionally secured by a trust agreement or indenture with a bank, the bank must possess trust powers.

State infrastructure bank obligations

(R.C. 5531.10)

The bill modifies the state infrastructure bank with respect to the obligations issued to fund public or private transportation projects deemed qualified by the Director of Transportation. Currently, the Treasurer of State is authorized to issue obligations with a maximum maturity of 25 years from the date of issuance. The bill increases the maximum maturity for *certain* obligations. Under the bill, if the debt service on the obligations is to be directly or indirectly provided for by payments a private entity has contracted in the bond proceedings to make, the maximum maturity of the obligations is 45 years from the date of issuance. "Private entity" is defined as any natural person, corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, nonprofit entity, or other business entity.[46]

Existing law specifies that the costs associated with the issuance of the obligations, such as marketing costs and the costs of services provided by financial advisors, accountants, attorneys, or other consultants, are to be paid from the funds of the state infrastructure bank. The bill allows for those costs to be paid from another source if provided for in the bond proceedings.

Existing law also permits the Treasurer of State to additionally secure the obligations by a trust agreement or indenture between the Treasurer and a corporate trustee. The corporate trustee can be any trust company or bank having a place of business in Ohio. The bill requires that the bank possess trust powers.

[46] R.C. 5501.70(G), not in the bill.

DEPARTMENT OF YOUTH SERVICES

Child abuse or neglect

- Requires a person who reports abuse, neglect, or threat of abuse or neglect of a child under 18, or a mentally retarded, developmentally disabled, or physically impaired child under 21, to direct the report to the State Highway Patrol if the child is a delinquent child in the custody of a Department of Youth Services (DYS) institution or a private entity under contract with DYS.

- Requires the Patrol, upon finding probable cause of the abuse, neglect, or threat, to report its findings to DYS, the court that ordered the delinquent child's custody to DYS, the public children services agency in the child's county of residence or where the abuse, neglect, or threat occurred, and the Correctional Institution Inspection Committee.

- Adds a superintendent or regional administrator employed by DYS to the list of persons prohibited from failing to make reports of abuse or neglect or threat of abuse or neglect of a child under 18 years of age or a mentally retarded, developmentally disabled, or physically impaired child under 21 years of age.

Quality Assurance Program

- Establishes the Office of Quality Assurance and Improvement within DYS.

- Provides that quality assurance records are confidential and are not public records.

- Provides circumstances for when quality assurance records may be disclosed and testimony may be provided concerning those records.

Child abuse or neglect

Report to State Highway Patrol

(R.C. 5139.12)

The bill requires any person who is required to report the person's knowledge of or reasonable cause to suspect abuse or neglect or threat of abuse or neglect of a child under 18 years of age or a mentally retarded, developmentally disabled, or physically impaired child under 21 years of age or any person who is permitted to report or cause such a report to be made and who makes or causes the report to be made, to direct that report to the State Highway Patrol if the child is a delinquent child in the custody of an

institution under the management and control of the Department of Youth Services (DYS) or a private entity with which DYS has contracted for the institutional care and custody of felony delinquents. If the State Highway Patrol determines after receipt of the report that there is probable cause that abuse or neglect or threat of abuse or neglect of the delinquent child occurred, the Patrol must report its findings to DYS, to the court that ordered the disposition of the delinquent child for the act that would have been an offense if committed by an adult and for which the delinquent child is in the custody of DYS, to the public children services agency in the county in which the child resides or in which the abuse or neglect or threat of abuse or neglect occurred, and to the chairperson and vice-chairperson of the Correctional Institution Inspection Committee.

Mandatory reporters

(R.C. 2151.421)

The bill adds a superintendent or regional administrator employed by DYS to the list of persons who are required to report known or suspected child abuse or neglect. Under continuing law, a number of other persons, such as doctors, teachers, and social workers, who are acting in an official or professional capacity and know, or have reasonable cause to suspect based on facts that would cause a reasonable person in a similar position to suspect, that a child under 18 years of age or a mentally retarded, developmentally disabled, or physically impaired child under 21 years of age has suffered or faces a threat of suffering any physical or mental wound, injury, disability, or condition of a nature that reasonably indicates abuse or neglect of the child are prohibited from failing to immediately report that knowledge or reasonable cause to suspect. Generally, the person making the report must make it to the public children services agency or a municipal or county peace officer in the county in which the child resides or in which the abuse or neglect is occurring or has occurred.

Quality Assurance Program

(R.C. 5139.45)

The bill creates within DYS the Office of Quality Assurance and Improvement (Office). The Director of DYS must appoint a managing officer to carry out quality assurance program activities, which means the activities of the institution and the Office, of persons who provide, collect, or compile information and reports required by the Office, and of persons who receive, review, or implement the recommendations made by the Office. Quality assurance program activities include credentialing, infection control, utilization review including access to patient care, patient care assessments, medical and mental health records, medical and mental health resource management, mortality and morbidity review, and identification and prevention of

medical or mental health incidents and risks, whether performed by the Office or by persons who are directed by the Office.

Under the bill, a "quality assurance program" is a comprehensive program within DYS to systematically review and improve the quality of programming, operations, education, medical and mental health services within DYS and DYS's institutions, and the efficiency and effectiveness of the utilization of staff and resources in the delivery of services within DYS and DYS's institutions. An institution is a state facility that is created by the General Assembly and that is under the management and control of DYS or a private entity with which DYS has contracted for the institutional care and custody of felony delinquents.

The bill defines a "quality assurance record" as the proceedings, records, minutes, and reports that result from quality assurance program activities. It does not include aggregate statistical information that does not disclose the identity of persons receiving or providing services in institutions. Quality assurance records generally are confidential and are not public records under the Public Records Law and must be used only in the course of the proper functions of a quality assurance program. The bill prohibits a person who possesses or has access to quality assurance records and who knows that the records are quality assurance records from willfully disclosing the contents of the records to any person or entity. The bill also provides that a quality assurance record is generally not subject to discovery and is not admissible as evidence in any judicial or administrative proceeding. Under the bill, no employee of the Office or a person who is performing a function that is part of a quality assurance program is permitted or required to testify in a judicial or administrative proceeding with respect to a quality assurance record or with respect to any finding, recommendation, evaluation, opinion, or other action taken by the Office or program or by the person within the scope of the quality assurance program.

The bill provides that information, documents, or records otherwise available from original sources cannot be unavailable for discovery or inadmissible as evidence in a judicial or administrative proceeding merely because they were presented to the Office. A person who is an employee of the Office cannot be prohibited from testifying as to matters within the person's knowledge, but the person cannot be asked about an opinion formed by the person as a result of the person's quality assurance program activities.

Under the bill, quality assurance records may be disclosed, and testimony may be provided concerning quality assurance records, only to the following persons or entities or under the following circumstances:

- Persons who are employed or retained by DYS and who have the authority to evaluate or implement the recommendations of an institution or the Office;

- Public or private agencies or organizations if needed to perform a licensing or accreditation function related to institutions or to perform monitoring of institutions as required by law;

- A governmental board or agency, a professional health care society or organization, or a professional standards review organization, if the records or testimony are needed to perform licensing, credentialing, or monitoring of professional standards with respect to medical or mental health professionals employed or retained by DYS;

- A criminal or civil law enforcement agency or public health agency charged by law with the protection of public health or safety, if a qualified representative of the agency makes a written request stating that the records or testimony are necessary for a purpose authorized by law;

- In a judicial or administrative proceeding commenced by an entity described in the two preceding dot points for a purpose described in those dot points but only with respect to the subject of the proceedings.

A disclosure of quality assurance records does not otherwise waive the confidential and privileged status of the disclosed quality assurance records. The name and other identifying information regarding individual patients or employees of the Office contained in a quality assurance record must be redacted from the record prior to the disclosure of the record unless the identity of an individual is necessary for the purpose for which disclosure is being made and does not constitute a clearly warranted invasion of personal privacy.

The bill provides that a person who, without malice and in the reasonable belief that the information is warranted by the facts known to the person, provides information to a person engaged in quality assurance program activities is not liable for damages in a civil action for injury, death, or loss to person or property as a result of providing the information. An employee of the Office, a person engaged in quality assurance program activities, or an employee DYS is not liable in damages in a civil action for injury, death, or loss to person or property for any acts, omissions, decisions, or other conduct within the scope of the functions of the quality assurance program.

The bill states that nothing in the above-described provisions relieves any institution from liability arising from the treatment of a patient.

- Permits a board of county commissioners, on behalf of a county transit board, to award a franchise to a franchisee to operate a public transit system.
- Specifies that such a franchise may include the right of a franchisee to provide transportation services for a county department of job and family services.
- Authorizes the board of county commissioners to issue a certification to the franchisee to operate the public transit system and prohibits the franchisee from operating the system until the certification is issued.
- Requires a certification to include certain performance targets for the franchisee, including cost savings to the county, gains in efficiency, safety and security, service to the traveling public, return on investments, and any other performance targets as determined by the board.
- Prescribes a competitive bidding procedure that a board of county commissioners must follow when it awards a franchise to operate a public transit system.
- Provides that if a board of county commissioners awards a franchise to a franchisee on behalf of a county transit board, the board of county commissioners, the county transit board, and the franchisee all are required to submit certain annual reports.

County transit franchise agreements

(R.C. 306.04, 306.14, 307.863, and 307.982)

The bill eliminates two provisions of current law relating to franchise agreements for the operation of a county transit system. The first provision permits a board of county commissioners or a county transit board to enter into and supervise franchise agreements for the operation of a county transit system. The second provision permits either board to accept the assignment of and then supervise an existing franchise agreement for the operation of a county transit system. The bill replaces these two eliminated provisions with new provisions relating to county transit system franchise agreements.

Under the bill, a board of county commissioners, on behalf of a county transit board, may award a franchise to an applicant subject to those terms and conditions as the board of county commissioners considers appropriate and consistent with applicable laws. After awarding the franchise, the board of county commissioners may

issue a certification. Until such issuance, the franchisee has no right to operate a public transit system or part of such a system. The board of county commissioners cannot delete, alter, or amend the terms and conditions of the certification after its issuance. The board is required to include in the certification performance targets related to the operation of a public transit system by the franchisee. Those performance targets may include cost savings to the county, gains in efficiency, the safety and security of the traveling public and franchise employees, service to the traveling public, return on any investments made by the county, and any other performance targets as determined by the board. All terms and conditions of the order of certification are terms and conditions of the franchise. The franchisee must comply with all applicable rules, regulations, orders, and ordinances, unless the certification expressly grants an exemption or waiver from any of the same.

The award of a franchise by a board of county commissioners to an applicant is the sole license and authority for the franchisee to establish a public transit system, and, subject to certification, to operate a public transit system. A franchise that a board of county commissioners awards under the bill must be for a period of not less than ten years. A franchise cannot prohibit the franchisee from implementing new or improved services during the term of the franchise. A franchisee is required to coordinate its services, as specified in the franchise, with public transit providers to make effective transportation services available to the public and provide access to and from the public transit system.

A board of county commissioners is required to provide terms and conditions in a franchise to ensure that the franchisee will continue operation of the public transit system for the duration of the franchise term. If the franchise is revoked, suspended, or abandoned, the board of county commissioners must ensure that financial and other necessary resources are available to continue the operation of the system until another franchisee is selected or until the board of county commissioners determines to cease the transit operations governed by the franchise. The franchise must provide specifically that the board has the right to terminate the franchise if the board determines that the franchisee has materially breached the franchise in any manner. The franchisee may appeal such a termination to the board, and, if the board upholds the termination, to the proper court of common pleas.

The bill specifies that if a county transit board accepts a loan from any source, whether public or private, that acceptance does not in any way obligate the general fund of a county or a board of county commissioners.

Under the bill, a "franchisee" may be an individual, corporation, or other entity that is awarded a franchise. A "franchise" means the document and all accompanying rights approved by a board of county commissioners that provides the franchisee with

the exclusive right to establish a public transit system and, subject to certification, the right to operate a public transit system. A "franchise" may include the right of a franchisee to provide transportation services for a county department of job and family services. For purposes of the county transit franchise provisions of the bill, the terms "applicant," "application for certification," "application for a franchise," "certification," "franchise," and "franchisee" all are defined terms.

Competitive bidding for awarding a franchise

The bill provides that, notwithstanding the current competitive bidding provisions that apply to boards of county commissioners, a board of county commissioners that awards a franchise to a franchisee on behalf of a county transit board to operate a public transit system is required to award the franchise through competitive bidding as prescribed in the bill. The board must solicit bids that are not sealed, and must ensure that all bids the board receives are open for public inspection. The board is required to consider all bids that are timely received.

The fact that a bid proposes to be the most beneficial to the county monetarily in and of itself does not confer best bid status on that bid. In awarding a franchise to a bidder to operate a public transit system, the board may consider all of the following:

(1) The proposed monetary benefit to the county;

(2) The bidder's ownership of, or access to, transportation facilities or transportation equipment such as vehicles, automated transit systems, or any other applicable equipment;

(3) The bidder's experience in operating public transit systems; and

(4) If the bidder has experience in operating public transit systems, the record of the bidder in relation to all aspects of operating a public transit system, including cost savings to a political subdivision, gains in efficiency, the safety and security of the traveling public and employees, service to the traveling public, return on any investments made by a political subdivision, and any other aspects the board includes for consideration.

Reports relating to a franchise

The bill contains a number of reporting requirements relating to the awarding of a franchise to operate a public transit system. First, if a board of county commissioners awards a franchise to a franchisee on behalf of a county transit board, the county transit board is required to submit an annual written report to the board of county commissioners not later than a date designated by the board of county commissioners

and in a form prescribed by that board. The board of county commissioners must make the report available on the general website of the county. The county transit board must include in the report a description in detail of the effects the franchise agreement had during the prior year on all of the following as they relate to the operation of a public transit system by the franchisee in that county:

(1) Cost savings to the county;

(2) Efficiency;

(3) Safety and security of the traveling public and franchise employees;

(4) Service to the traveling public;

(5) Return on investment by the county;

(6) Any other aspects the board of county commissioners determines should be included in the report.

Second, a franchisee that is awarded a franchise by a board of county commissioners on behalf of a county transit board is required to submit an annual written report to the board of county commissioners or county transit board not later than a date designated by the board of county commissioners and in a form prescribed by that board. The board of county commissioners also must direct the franchisee to submit the report to the board of county commissioners, the county transit board, or both. The board of county commissioners is required to establish the issues to be addressed in the report with respect to the public transit system that the franchisee operated during the prior year. The board of county commissioners must make the report available on the general website of the county.

Finally, a board of county commissioners that awards a franchise to a franchisee on behalf of a county transit board is required to conduct an annual review of the performance of the franchisee. The board of county commissioners must include in the review a determination of the number of performance targets the franchisee met during the prior year and an evaluation of the franchisee's compliance with the other terms and conditions of the franchise, including any breaches of the franchise by the franchisee. The board is required to issue a written report, and must make the report available on the general website of the county.

Transportation services and specified county agencies

The bill specifies that a family services duty or workforce development activity includes transportation services provided by a county transit board. The bill permits a

board of county commissioners to delegate to a county transit board the authority to solicit bids and award and execute contracts for such transportation services on behalf of the board of county commissioners.

Continuing law permits a board of county commissioners to enter into a written contract with a private or government entity, including a public or private college or university, for the entity to perform a family services duty or workforce development activity on behalf of a county family services agency or workforce development agency.

MISCELLANEOUS

Ohio Constitutional Modernization Commission

- Requires the 12 General Assembly members on the Ohio Constitutional Modernization Commission to meet, organize, and elect co-chairpersons, and to appoint additional members to re-create the Commission, not later than January 10 of every even-numbered year.

- Allows members of the Ohio Constitutional Modernization Commission to continue in office until their successors are appointed.

Ohio Veterans Memorial and Museum

- Designates the Ohio Veterans Memorial and Museum, located in Franklin County, as the official state veterans memorial and museum.

- Provides that a new nonprofit corporation is to be organized for the purpose of operating the Ohio Veterans Memorial and Museum, and contemplates construction, development, and operation of the facility by another Ohio nonprofit corporation to which the facility may be leased without competitive bidding.

- Authorizes the Board of County Commissioners of Franklin County and the legislative leaders to appoint certain members to the board of directors of the new nonprofit corporation, but not to the other Ohio nonprofit corporation to which the facility may be leased for its construction, development, and operation.

- Authorizes "a board of county commissioners" to appropriate funds for permanent improvements and operating expenses of the Ohio Veterans Memorial and Museum, to either the new nonprofit corporation established under the bill or the Ohio nonprofit corporation with which the county has leased the facility and property.

Appropriations of property under Eminent Domain

- Under the Eminent Domain Law, increases from $10,000 to $25,000 the maximum amount a public agency that appropriates property must pay to a farm owner, nonprofit corporation, or small business for specified expenses necessary to reestablish the farm, nonprofit organization, or small business at its new site, or a displaced farm, nonprofit organization, or small business at its new site.

- Increases from $20,000 to $40,000 the maximum fixed amount such a public agency must pay to a person who is displaced from the person's place of business or farm operation in lieu of a reestablishment payment.

- Increases from $22,500 to $31,000 the maximum additional payment such a public agency must pay to a person who is displaced from a dwelling the person owns and occupies.

- Reduces from 180 days to 90 days the period of time the displaced person must have occupied the dwelling prior to the initiation of negotiations for the acquisition of the property, for purposes of qualifying for the additional maximum payment of $31,000.

- Reduces from 180 days to 90 days the period of time the acquired dwelling must have been encumbered by a bona fide mortgage in order for the displaced person to be eligible for additional payment for any increased interest costs or debt service.

- Increases from $5,250 to $7,200 the maximum supplemental payment a public agency must pay to a person who is displaced from a dwelling the person occupied for not less than 90 days prior to the initiation of negotiations for the acquisition of the dwelling to enable the person to lease or rent, for a period of not more than 42 months, a comparable replacement dwelling.

- Eliminates the existing limitation on the amount of the supplemental payment if the person occupied the dwelling for more than 90 but less than 180 days prior to the initiation of negotiations.

Memorial highway designations

- Designates a portion of U.S. Route 23 in Scioto County, from mile marker 3 to mile marker 10, as the "Branch Rickey Memorial Highway," in addition to the portion of that road that is designated under current law.

- Designates a portion of state route 52 in Scioto County, between mile marker 17 and mile marker 19, as the "Boone Coleman Memorial Highway."

Other provisions

- Specifies that students attending state universities are not public employees based upon participating in athletics for the state university.

- Expands the individuals who are authorized to participate in a direct deposit payroll policy of a municipal corporation, county, or township.

- Allows art museums, upon meeting certain conditions, to receive annual payments, calculated on the basis of taxable property values, from boards of education, the governing board of an educational service center, and the city or county in which the museum is located.

- Designates the museum located on the grounds of the Ohio State Reformatory, which is operated by the Mansfield Reformatory Preservation Society, as the official State Penal Museum.

- Allows employees of the Ohio Historical Society to be covered by a state-provided health insurance plan.

- Establishes four years from the completion of the engagement on which the cause of action is based as the period within which a malpractice action against a registered surveyor must be commenced.

Ohio Constitutional Modernization Commission

(R.C. 103.63)

The bill requires the 12 General Assembly members appointed to the Ohio Constitutional Modernization Commission to meet, organize, and elect co-chairpersons, and then to re-create the Commission by appointing the rest of the members, not later than January 10 of every even-numbered year. Under current law, the 12 General Assembly members must do this not later than January 1 of every even-numbered year.

The bill specifies that a member of the Commission continues in office beyond the expiration of the member's term until the member's successor is appointed. Current law does not allow this. Member terms end on January 1 of even-numbered years.

Ohio Veterans Memorial and Museum

(R.C. 5.074 and 307.6910)

The bill provides that a new nonprofit corporation is to be organized for the purpose of *operating* a veterans memorial and museum at a designated site in Columbus on property owned in fee simple by the Board of County Commissioners of Franklin County. The bill authorizes the Board of County Commissioners of Franklin County to lease the designated site, without engaging in competitive bidding, to "an Ohio nonprofit corporation" for the *construction, development*, and *operation* of the Ohio Veterans Memorial and Museum. Presumably, this contemplates the possibility of two different nonprofit corporations having the authority to operate the memorial and museum.

The bill states that the board of directors of the *new* nonprofit corporation must consist of 15 members, with all appointments to be made in accordance with the articles

of incorporation and bylaws of the nonprofit corporation. All appointments to the board of directors must satisfy any qualifications set forth in the bylaws. The bill, provides, however, that a majority of the members of the board appointed by each appointing entity must be veterans of the U.S. armed forces. And, appointments must be made as follows: five members must be appointed by the Board of County Commissioners of Franklin County; three must be appointed by the Governor; one each must be appointed by the Speaker of the House and the President of the Senate; and the remaining five must be appointed as provided in the articles of incorporation, except that a majority of those members, like the others, must be veterans. There is no similar appointing authority for the board of county commissioners and the legislative leaders with regard to the other Ohio nonprofit corporation that may operate the facility after it is leased to the corporation.

The bill authorizes "a board of county commissioners" to appropriate funds, for permanent improvements and operating expenses, to either the new nonprofit corporation required to be established under the bill or the Ohio nonprofit corporation with which the Franklin County Board of County Commissioners has leased the property.

The meetings and records of the *new* nonprofit corporation are to be conducted and maintained in accordance with the Open Meetings and Public Records Law; there is no similar requirement for the Ohio nonprofit corporation that may operate the facility once it has been leased to it by the Board of County Commissioners of Franklin County.

The bill declares the Ohio Veterans Memorial and Museum located at the designated site to be the official state veterans memorial and museum.

Appropriations of property under Eminent Domain

(R.C. 163.15, 163.53, 163.54, and 163.55)

General appropriation law

The bill provides in the general property appropriation law that whenever the appropriation of real property by a state agency requires the owner, a commercial tenant, or a residential tenant identified by the owner in a notice filed with the court to move or relocate, among the payments the appropriating agency must make to the person is a payment not exceeding $25,000 for actual and reasonable expenses necessary to reestablish a farm, nonprofit organization, or small business at its new site. The current maximum for this payment is $10,000.

Appropriation law, displaced persons

The displaced persons provisions of the appropriations law are additional provisions that apply when the state agency that is appropriating property is carrying out a program or project with federal assistance, or carrying out any state highway project that causes a person to be a displaced person. A displaced person is a person who moves from real property, or moves the person's personal property from real property, as a direct result of a written notice from a state agency to acquire the real property.

The bill provides that whenever the acquisition of real property for a program or project undertaken by a displacing agency will result in the displacement of any person, among the payments the head of the agency must make to any displaced person is a payment not exceeding $25,000 for actual and reasonable expenses necessary to reestablish a displaced farm, nonprofit organization, or small business at its new site. The current maximum for this payment is $10,000.

The bill provides that as an alternative to the above $25,000 payment and other specified payments, any displaced person who is eligible for those payments and is displaced from the person's place of business or from the person's farm operation may qualify for a fixed payment of not less than $1,000 but not more than $40,000 in lieu of those specified payments. The current range for such a payment is $1,000 to $20,000. A person whose sole business at the displacement dwelling is the rental of such property to others does not qualify for this payment.

The bill also provides that the head of the displacing agency is required to make an additional payment not exceeding $31,000 to any displaced person who is displaced from a dwelling the displaced person actually owns and occupies for not less than 90 days prior to the initiation of negotiations for the acquisition of the property. Current law provides that this additional payment cannot exceed $22,500 and prescribes a minimum ownership and occupancy period of 180 days. One element of this additional payment is the amount, if any, that will compensate the displaced person for any increased interest costs and other debt service costs that the person is required to pay for financing the acquisition of a comparable replacement dwelling. This amount may be paid only if the dwelling acquired by the displacing agency was encumbered by a bona fide mortgage that was a valid lien on the dwelling for not less than 90 days prior to the initiation of negotiations for the acquisition of the dwelling. Current law prescribes an encumbrance period of not less than 180 days prior to the initiation of negotiations for the acquisition of the dwelling.

Under the bill, a new element of the additional payment to a displaced person is a rental assistance payment for such a person who is eligible for a replacement housing

payment but who elects to rent a replacement dwelling. The amount of the rental assistance payment is based on a determination of market rent for the acquired dwelling compared to a comparable rental dwelling available on the market in the general area of the acquired dwelling. The difference, if any, must be computed in accordance with the provisions of existing law governing another additional payment to a person who is displaced from a dwelling, except the limit of $7,200 in those provisions do not apply. Under no circumstances may the rental assistance payment exceed one of specified elements of the additional payment. This specified element is the amount, if any, that when added to the acquisition cost of the dwelling acquired by the displacing agency, equals the replacement cost of a comparable dwelling. A displaced person who is eligible to receive a replacement housing payment is not eligible for a down payment assistance payment described in existing law.

Under current law, certain displaced persons who occupy a dwelling (but do not own the dwelling) are not eligible for the current maximum $22,500 payment described above (which maximum the bill increases to $31,000), but are eligible for different payment. This payment consists of an amount necessary to enable the displaced person to lease or rent a comparable replacement dwelling for a period not exceeding 42 months. The bill provides that the amount of this payment cannot exceed $7,200. The current maximum amount for this payment is $5,250.

The bill eliminates language that contains a limitation on the amount of such a payment that is paid to a displaced home owner who has owned and occupied the displacement dwelling for at least 90 days but not more than 180 days immediately prior to the initiation of negotiations for the acquisition of that dwelling.

Memorial highway designations

(R.C. 5533.051 and 5533.831)

The "Branch Rickey Memorial Highway"

The bill designates the portion of U.S. Route 23 in Scioto County from mile marker 3 to mile marker 10 as the "Branch Rickey Memorial Highway," in addition to the portion of U.S. Route 23 in Delaware County that currently carries that designation. The bill authorizes the Director of Transportation to erect suitable markers along the designated portion of the highway indicating its name. Branch Rickey was a general manager and president of the Brooklyn Dodgers from Stockdale, Ohio. He is known for signing Jackie Robinson, the first African-American to play Major League Baseball.

The portion of U.S. Route 23 that is the subject of this provision currently carries the designations "United Spanish War Veterans Memorial Highway" and "Scioto Trail."[47]

The "Boone Coleman Memorial Highway"

The bill designates the portion of state route 52 in Scioto County from mile marker 17 to mile marker 19 as the "Boone Coleman Memorial Highway" and authorizes the Director of Transportation to erect suitable markers along the designated portion of the highway indicating its name. Boone Coleman founded the Boone Coleman Construction company of West Portsmouth, Ohio.

Public employee status of student athletes at state universities

(R.C. 3345.56)

The bill specifies that a student attending a state university is not an employee of the state university based upon the student's participation in an athletic program offered by the state university. Thus, under the bill, it appears that such a student is not a public employee for purposes of collective bargaining or for public employee benefits such as health care or retirement.

Local government direct deposit payroll

(R.C. 9.37)

The bill expands the individuals who are authorized to participate in a direct deposit payroll policy of a municipal corporation, county, or township to include all public officials of those governments. As it applies to direct deposit policies, "public official" means "any elected or appointed officer, employee, or agent of . . . any political subdivision."[48] Current law allows only "employees" to participate in a direct deposit policy of a municipal corporation, county, or township.[49] The bill replaces the term "employees" with "public officials" and thus expands the individuals who are authorized to participate in a direct deposit policy of a municipal corporation, county, or township.

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[47] R.C. 5533.05, not in the bill.

[48] R.C. 9.37(A).

[49] R.C. 9.37(G).

Payments to art museums by school boards and local governments

(R.C. 757.03 through 757.08)

The bill includes art museums among the current entities that are allowed to receive annual payments, calculated on the basis of taxable property values, from boards of education, the governing board of an educational service center, and the city or county in which the art museum is located. The bill imposes similar conditions on art museums as those currently required of a symphony association, area arts council, or other similar nonprofit corporation that receives payments. These include the filing of a resolution, as a condition precedent to the receipt of payments, and conferring specified rights on the local governing board or boards to nominate trustees or members of any governing body of, and members of the executive committee of, the art museum. Recipients of payments must also agree to confer the right to require the symphony orchestra or any performing groups maintained by the entities to provide such feasible popular performances at low cost as in the judgment of the parties will serve the largest interests of the school children served or the citizens of the city or county.

Under current law unchanged by the bill, the payments are calculated as follows: in the case of a school district board of education, a sum of not to exceed 0.5¢ on each $100 of the taxable property in the district, and in the case of an educational service center governing board, a sum not to exceed 0.5¢ on each $100 of the taxable property of the territory of the service center, as valued on the tax duplicate for the next year before the date of the payment. The same calculation applies for cities and counties under continuing law. Under the bill, the same calculation will determine the amount of payments for art museums.

State Penal Museum

(R.C. 5.077)

The bill designates the museum located on the grounds of the Ohio State Reformatory, which is operated by the Mansfield Reformatory Preservation Society, as the official State Penal Museum.

Ohio Historical Society employees health coverage

(R.C. 124.82(G) and 149.30)

The Ohio Historical Society is a nonprofit corporation chartered by the state that performs certain public functions. The bill allows employees of the Society to be covered by a state-provided health insurance plan. The Society and its employees must

pay the entire amount of the premiums, costs, or charges for the health insurance coverage.

The bill also specifies that employees of the Ohio Historical Society are not to be considered public employees for any other purpose except for the participation in plans and contracts providing health benefits for state employees. (Under current law not affected by the bill, employees of the Society are considered to be public employees for participation in the Public Employees Retirement System.)

Limitations period for actions against registered surveyors

(R.C. 2305.11)

The bill establishes four years from the completion of the engagement on which the cause of action is based as the period within which a malpractice action against a registered surveyor must be commenced. Under existing law, a malpractice action against a registered surveyor must be commenced within one year after the cause of action accrues.

EFFECTIVE DATES

(Section 812.20)

The bill provides that specified provisions are not subject to the referendum and go into immediate effect. Certain other provisions, although subject to the referendum, take effect two years after the bill takes effect.

HISTORY

ACTION	DATE
Introduced	03-18-14
Reported, H. Finance and Appropriations	04-09-14
Passed House (57-35)	04-09-14

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